
SENATE 2002 SUPPLEMENTAL OPERATING BUDGET BILL (PSSB 6387)



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SENATE WAYS AND MEANS COMMITTEE

MARCH 5, 2002

BILL REQUEST - CODE REVISER'S OFFICE

BILL REQ. #: S-4697.3/02 3rd draft

ATTY/TYPIST: LL:seg

BRIEF DESCRIPTION: Making 2001-03 biennium supplemental operating appropriations.

1 AN ACT Relating to fiscal matters; amending RCW 9.46.100, 28B.50.837,
2 38.52.106, 38.52.540, 41.06.150, 43.03.060, 43.10.220, 43.30.360,
3 43.33A.160, 43.72.900, 43.83B.430, 43.88.030, 43.320.110, 46.09.110,
4 46.10.075, 48.02.190, 49.70.170, 51.44.170, 66.08.235, 67.16.100, 67.40.025,
5 67.70.260, 70.93.180, 70.94.015, 70.95E.080, 70.105D.070, 70.146.030,
6 70.168.040, 77.12.170, 77.44.050, 79.24.580, 79A.05.215, 80.01.080,
7 82.29A.080, 90.48.465, and 90.56.510; amending 2001 2nd sp.s. c 7 ss 101,
8 102, 103, 104, 105, 106, 107, 109, 110, 111, 112, 113, 114, 115, 117, 118,
9 120, 121, 123, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136,
10 137, 138, 139, 142, 143, 144, 147, 148, 149, 151, 152, 153, 154, 201, 202,
11 203, 204, 205, 206, 207, 208, 209, 210, 211, 213, 214, 215, 216, 217, 218,
12 219, 220, 221, 222, 223, 224, 301, 302, 303, 304, 305, 306, 307, 308, 309,
13 401, 402, 501, 502, 503, 504, 505, 507, 508, 509, 510, 511, 512, 513, 514,
14 515, 516, 517, 519, 521, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610,
15 611, 612, 613, 614, 615, 616, 617, 618, 619, 701, 702, 703, 704, 706, 713,
16 716, 717, 719, 720, 722, 723, 724, 727, 728, 730, 801, and 805 (uncodified);
17 reenacting and amending RCW 50.16.010 and 69.50.520; adding new sections to
18 2001 2nd sp.s. c 7 (uncodified); making appropriations; and declaring an
19 emergency.

1 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

2
3

PART I
GENERAL GOVERNMENT

4 **Sec. 101.** 2001 2nd sp.s. c 7 s 101 (uncodified) is amended to read as
5 follows:

6 **FOR THE HOUSE OF REPRESENTATIVES**

7	General Fund--State Appropriation (FY 2002) . . \$	28,313,000
8	General Fund--State Appropriation (FY 2003) . . \$	((28,497,000))
9		<u>27,687,000</u>
10	Department of Retirement Systems Expense Account--	
11	State Appropriation \$	45,000
12	TOTAL APPROPRIATION \$	((56,855,000))
13		<u>56,045,000</u>

14 The appropriations in this section are subject to the following
15 conditions and limitations:

16 (1) \$25,000 of the general fund--state appropriation is provided solely
17 for allocation to Project Citizen, a program of the national conference of
18 state legislatures to promote student civic involvement.

19 (2) \$15,000 of the general fund--state appropriation for fiscal year
20 2002 is provided for the legislature to continue the services of expert
21 counsel on legal and policy issues relating to services for persons with
22 developmental disabilities.

23 **Sec. 102.** 2001 2nd sp.s. c 7 s 102 (uncodified) is amended to read as
24 follows:

25 **FOR THE SENATE**

26	General Fund--State Appropriation (FY 2002) . . \$	22,863,000
27	General Fund--State Appropriation (FY 2003) . . \$	((23,999,000))
28		<u>23,375,000</u>
29	Department of Retirement Systems Expense Account--	
30	State Appropriation \$	45,000
31	TOTAL APPROPRIATION \$	((46,907,000))

The appropriations in this section are subject to the following conditions and limitations:

(1) \$25,000 of the general fund--state appropriation is provided solely for allocation to Project Citizen, a program of the national conference of state legislatures to promote student civic involvement.

(2) \$15,000 of the general fund--state appropriation for fiscal year 2002 is provided for the legislature to continue the services of expert counsel on legal and policy issues relating to services for persons with developmental disabilities.

Sec. 103. 2001 2nd sp.s. c 7 s 103 (uncodified) is amended to read as follows:

FOR THE JOINT LEGISLATIVE AUDIT AND REVIEW COMMITTEE

General Fund--State Appropriation (FY 2002) . . \$	((2,436,000))
	<u>2,191,000</u>
General Fund--State Appropriation (FY 2003) . . \$	((1,938,000))
	<u>1,968,000</u>
TOTAL APPROPRIATION \$	((4,374,000))
	<u>4,159,000</u>

The appropriations in this section are subject to the following conditions and limitations:

(1) ((~~\$150,000~~)) \$75,000 of the general fund--state appropriation for fiscal year 2002 and ((~~\$75,000~~)) \$275,000 of the general fund--state appropriation for fiscal year 2003 are provided solely for the joint legislative audit and review committee to conduct program evaluations and data analysis of the developmental disabilities program. These studies shall include an evaluation of the ((~~client~~)) outcomes of clients in the high school transition program ((~~operated by the department of social and health services division of developmental disabilities. The study shall identify the different approaches that have been used in providing transition services and whether some approaches are more or less successful in helping young adults with developmental disabilities achieve greater levels of independence. The study shall evaluate how transition programs~~)).

1 ~~reduce the level of support provided to clients as they achieve greater~~
2 ~~levels of independence,)) and whether the program helps clients achieve~~
3 greater levels of independence and reduces the level of support services
4 provided to clients as they achieve greater levels of independence. An
5 analysis of service utilization and eligibility determination for clients
6 receiving services from the developmental disabilities program shall be
7 conducted in cooperation with interim studies by legislative fiscal and
8 policy staff. Preliminary study results shall be submitted to the
9 appropriate committees of the legislature by December 1, 2002. The final
10 report shall be submitted no later than June 30, 2003.

11 (2) \$50,000 of the general fund--state appropriation for fiscal year
12 2002 is provided solely for the joint legislative audit and review committee
13 to conduct a capacity planning study of the capital facilities of the state
14 school for the deaf. The committee's study shall be carried out in
15 conjunction with the study of educational service delivery models conducted
16 by the state institute for public policy. The study shall be submitted to
17 the fiscal committees of the legislature by September 30, 2002.

18 (3) (~~(\$35,000 of the general fund--state appropriation for fiscal year~~
19 ~~2002 is provided solely for))~~ The joint legislative audit and review
20 committee ((to)) shall conduct a review of water conservancy boards. The
21 review shall include an assessment of the operating costs of existing
22 boards; the sources of funding for board operations; sources of in-kind
23 support for board operations; assessment of the value of water rights
24 subject to change or transfer decisions; the range of costs of processing
25 water right transfer applications by the boards as well as by the department
26 of ecology for applications filed directly with the department; the costs
27 to the department of training, assistance, and review of board
28 recommendations on applications; board membership and board recordkeeping;
29 and public participation procedures for both the water conservancy boards
30 and the department of ecology. The committee shall submit its review by
31 ((~~January 1, 2003~~)) December 1, 2004, to the appropriate policy and fiscal
32 committees of the legislature.

33 (4) \$40,000 of the general fund--state appropriation for fiscal year
34 2002 is provided solely for a follow-up review to report number 98-3, the

1 performance audit of the department of corrections. The follow-up study
2 shall include but not be limited to a review of:

3 (a) Community supervision activities performed by the department;

4 (b) The implementation of risk-based classification and community
5 placement models;

6 (c) The early implementation of the offender accountability act; an

7 (d) The cost impacts of the risk-based models and the offender
8 accountability act.

9 The committee shall consult with the Washington state institute for
10 public policy regarding data and findings from the institute's current
11 studies on these issues. A report of the follow-up study shall be submitted
12 to the relevant policy and fiscal committees of the legislature by December
13 21, 2001. Upon the completion of the follow-up review, the committee shall
14 make a determination whether an additional phase of study is needed. If
15 further study is indicated, the committee shall submit to the relevant
16 policy and fiscal committees of the legislature its plan and cost estimate
17 for such study by March 29, 2002.

18 (5) \$140,000 of the general fund--state appropriation for fiscal year
19 2002 is provided for a study of children's mental health in Washington. The
20 study shall include but not be limited to:

21 (a) A review of plans and services for children, including those for
22 early periodic screening, diagnosis, and treatment;

23 (b) A review of the implementation of the plans;

24 (c) A review of the availability and reliability of fiscal, program,
25 and outcome data relating to mental health services provided to children;
26 and

27 (d) A survey of mental health services for children among the state's
28 regional support networks.

29 The committee shall make recommendations, as appropriate, for the
30 improvement of services and system performance, including the need for
31 performance and client outcome measures. The committee may contract for
32 consulting services in conducting the study. The committee shall submit a
33 report to the appropriate policy and fiscal committees of the legislature
34 by July 1, 2002.

1 (6) Within the amounts provided in this section, the joint legislative
2 audit and review committee shall conduct a study of the Washington
3 management service. The study shall include findings regarding (a) growth
4 in the number of positions in the Washington management service, (b) growth
5 in salary levels and structure since the Washington management service's
6 inception, and (c) other compensation practices used within the Washington
7 management service. The department of personnel shall cooperate with the
8 committee in conducting the study and provide information as requested by
9 the committee. The committee shall provide a report to the fiscal
10 committees of the legislature by December 31, 2001.

11 (7) Within the amounts provided in this section, the joint legislative
12 audit and review committee shall review all aspects of the mental health
13 prevalence study completed in accordance with section 204 of this act,
14 including but not limited to the contractor selection process, if any; the
15 study design and workplan; the implementation of the study; and the draft
16 and final reports.

17 (8) The committee shall study and report on pipeline safety as provided
18 in section 149 of this act.

19 **Sec. 104.** 2001 2nd sp.s. c 7 s 104 (uncodified) is amended to read as
20 follows:

21 **FOR THE LEGISLATIVE EVALUATION AND ACCOUNTABILITY PROGRAM COMMITTEE**

22 General Fund--State Appropriation (FY 2002) . . \$ 1,329,000

23 General Fund--State Appropriation (FY 2003) . . \$ ((~~1,462,000~~))

24 1,418,000

25 Public Works Assistance Account--State

26 Appropriation \$ 203,000

27 TOTAL APPROPRIATION \$ ((~~2,994,000~~))

28 2,950,000

29 **Sec. 105.** 2001 2nd sp.s. c 7 s 105 (uncodified) is amended to read as
30 follows:

31 **FOR THE OFFICE OF THE STATE ACTUARY**

32 Department of Retirement Systems Expense Account--

33 State Appropriation \$ ((~~1,923,000~~))

1 2,054,000

2 The appropriation in this section is subject to the following
3 conditions and limitations: The joint committee on pension policy, in
4 collaboration with various interested parties, shall study issues of pension
5 governance and recommend legislation for consideration in the 2002
6 legislative session.

7 **Sec. 106.** 2001 2nd sp.s. c 7 s 106 (uncodified) is amended to read as
8 follows:

9 **FOR THE JOINT LEGISLATIVE SYSTEMS COMMITTEE**

10	General Fund--State Appropriation (FY 2002) . . \$	6,421,000
11	General Fund--State Appropriation (FY 2003) . . \$	((7,043,000))
12		<u>6,861,000</u>
13	TOTAL APPROPRIATION \$	((13,464,000))
14		<u>13,282,000</u>

15 **Sec. 107.** 2001 2nd sp.s. c 7 s 107 (uncodified) is amended to read as
16 follows:

17 **FOR THE STATUTE LAW COMMITTEE**

18	General Fund--State Appropriation (FY 2002) . . \$	3,909,000
19	General Fund--State Appropriation (FY 2003) . . \$	((4,038,000))
20		<u>3,923,000</u>
21	TOTAL APPROPRIATION \$	((7,947,000))
22		<u>7,832,000</u>

23 The appropriations in this section are subject to the following
24 conditions and limitations: \$41,000 of the general fund fiscal year 2002
25 appropriation and \$43,000 of the general fund fiscal year 2003 appropriation
26 are provided solely for the uniform legislation commission.

27 **Sec. 108.** 2001 2nd sp.s. c 7 s 109 (uncodified) is amended to read as
28 follows:

29 **FOR THE SUPREME COURT**

30	General Fund--State Appropriation (FY 2002) . . \$	((5,423,000))
31		<u>5,500,000</u>

1 General Fund--State Appropriation (FY 2003) . . \$ ((~~5,510,000~~))
2 5,495,000
3 TOTAL APPROPRIATION \$ ((~~10,933,000~~))
4 10,995,000

5 **Sec. 109.** 2001 2nd sp.s. c 7 s 110 (uncodified) is amended to read as
6 follows:

7 **FOR THE LAW LIBRARY**

8 General Fund--State Appropriation (FY 2002) . . \$ 1,982,000
9 General Fund--State Appropriation (FY 2003) . . \$ ((~~1,983,000~~))
10 1,924,000
11 TOTAL APPROPRIATION \$ ((~~3,965,000~~))
12 3,906,000

13 **Sec. 110.** 2001 2nd sp.s. c 7 s 111 (uncodified) is amended to read as
14 follows:

15 **FOR THE COURT OF APPEALS**

16 General Fund--State Appropriation (FY 2002) . . \$ ((~~12,746,000~~))
17 12,894,000
18 General Fund--State Appropriation (FY 2003) . . \$ ((~~12,878,000~~))
19 12,749,000
20 TOTAL APPROPRIATION \$ ((~~25,624,000~~))
21 25,643,000

22 The appropriations in this section are subject to the following
23 conditions and limitations:

24 (1) \$505,000 of the general fund--state appropriation for fiscal year
25 2002 and \$606,000 of the general fund--state appropriation for fiscal year
26 2003 are provided solely for lease increases associated with the division
27 I facility. ((~~Within the funds provided in this subsection, the court of~~
28 ~~appeals shall conduct a space planning study exploring options dealing with~~
29 ~~remodeling existing space to accommodate needs and evaluating the cost and~~
30 ~~benefits of moving to another location.~~))

31 (2) \$168,000 of the general fund--state appropriation for fiscal year
32 2002 and \$159,000 of the general fund--state appropriation for fiscal year

1 2003 are provided solely for providing compensation adjustments to
2 nonjudicial staff of the court of appeals. Within the funds provided in
3 this subsection, the court of appeals shall determine the specific positions
4 to receive compensation adjustments based on recruitment and retention
5 difficulties, new duties or responsibilities assigned, and salary inversion
6 or compression within the court of appeals.

7 **Sec. 111.** 2001 2nd sp.s. c 7 s 112 (uncodified) is amended to read as
8 follows:

9 **FOR THE COMMISSION ON JUDICIAL CONDUCT**

10	General Fund--State Appropriation (FY 2002) . . \$	955,000
11	General Fund--State Appropriation (FY 2003) . . \$	((969,000))
12		<u>940,000</u>
13	TOTAL APPROPRIATION \$	((1,924,000))
14		<u>1,895,000</u>

15 **Sec. 112.** 2001 2nd sp.s. c 7 s 113 (uncodified) is amended to read as
16 follows:

17 **FOR THE ADMINISTRATOR FOR THE COURTS**

18	General Fund--State Appropriation (FY 2002) . . \$	((14,247,000))
19		<u>14,900,000</u>
20	General Fund--State Appropriation (FY 2003) . . \$	((14,386,000))
21		<u>15,388,000</u>
22	Public Safety and Education Account--State	
23	Appropriation \$	((29,634,000))
24		<u>27,251,000</u>
25	Judicial Information Systems Account--State	
26	Appropriation \$	27,758,000
27	TOTAL APPROPRIATION \$	((86,025,000))
28		<u>85,297,000</u>

29 The appropriations in this section are subject to the following
30 conditions and limitations:

31 (1) Funding provided in the judicial information systems account
32 appropriation shall be used for the operations and maintenance of technology

1 systems that improve services provided by the supreme court, the court of
2 appeals, the office of public defense, and the administrator for the courts.

3 (2) No moneys appropriated in this section may be expended by the
4 administrator for the courts for payments in excess of fifty percent of the
5 employer contribution on behalf of superior court judges for insurance and
6 health care plans and federal social security and medicare and medical aid
7 benefits. As required by Article IV, section 13 of the state Constitution
8 and 1996 Attorney General's Opinion No. 2, it is the intent of the
9 legislature that the costs of these employer contributions shall be shared
10 equally between the state and county or counties in which the judges serve.
11 The administrator for the courts shall continue to implement procedures for
12 the collection and disbursement of these employer contributions. During
13 each fiscal year in the 2001-03 biennium, the office of the administrator
14 for the courts shall send written notice to the office of community
15 development in the department of community, trade, and economic development
16 when each county pays its fifty percent share for the year.

17 (3) \$223,000 of the public safety and education account appropriation
18 is provided solely for the gender and justice commission.

19 (4) \$308,000 of the public safety and education account appropriation
20 is provided solely for the minority and justice commission.

21 (5) \$278,000 of the general fund--state appropriation for fiscal year
22 2002, \$285,000 of the general fund--state appropriation for fiscal year
23 2003, and \$263,000 of the public safety and education account appropriation
24 are provided solely for the workload associated with tax warrants and other
25 state cases filed in Thurston county.

26 (6) \$750,000 of the general fund--state appropriation for fiscal year
27 2002 and \$750,000 of the general fund--state appropriation for fiscal year
28 2003 are provided solely for court-appointed special advocates in dependency
29 matters. The administrator for the courts, after consulting with the
30 association of juvenile court administrators and the association of court-
31 appointed special advocate/guardian ad litem programs, shall distribute the
32 funds to volunteer court-appointed special advocate/guardian ad litem
33 programs. The distribution of funding shall be based on the number of
34 children who need volunteer court-appointed special advocate representation
35 and shall be equally accessible to all volunteer court-appointed special

advocate/guardian ad litem programs. The administrator for the courts shall not retain more than six percent of total funding to cover administrative or any other agency costs.

(7) \$750,000 of the public safety and education account--state appropriation is provided solely for judicial program enhancements. Within the funding provided in this subsection, the administrator for the courts, in consultation with the supreme court, shall determine the program or programs to receive an enhancement. Among the programs that may be funded from the amount provided in this subsection are unified family courts.

~~(8) ((\$1,618,000 of the public safety and education account--state appropriation is provided solely for increases for juror pay. The office of the administrator for the courts may contract with local governments to provide additional juror pay. The contract shall provide that the local government is responsible for the first ten dollars of juror compensation for each day or partial day of jury service, and the state shall reimburse the local government for any additional compensation, excluding the first day, up to a maximum of fifteen dollars per day.))~~ \$1,800,000 of the judicial information systems account--state appropriation is provided solely for improvements and enhancements to the judicial information systems. This funding shall only be expended after the office of the administrator for the courts certifies to the office of financial management that there will be at least a \$1,000,000 ending fund balance in the judicial information systems account at the end of the 2001-03 biennium.

Sec. 113. 2001 2nd sp.s. c 7 s 114 (uncodified) is amended to read as follows:

FOR THE OFFICE OF PUBLIC DEFENSE

General Fund--State Appropriation (FY 2002)	. . \$	600,000
Public Safety and Education Account--State		
Appropriation	\$	((12,626,000))
		<u>12,247,000</u>
TOTAL APPROPRIATION	\$	((13,226,000))
		<u>12,847,000</u>

1 The appropriations in this section are subject to the following
2 conditions and limitations:

3 (1) (~~(\$233,000)~~) \$204,000 of the public safety and education account
4 appropriation is provided solely to increase the reimbursement for private
5 attorneys providing constitutionally mandated indigent defense in nondeath
6 penalty cases.

7 (2) \$51,000 of the public safety and education account appropriation is
8 provided solely for the implementation of chapter 303, Laws of 1999 (court
9 funding).

10 (3) Amounts provided from the public safety and education account
11 appropriation in this section include funding for investigative services in
12 death penalty personal restraint petitions.

13 (4) The entire general fund--state appropriation is provided solely for
14 the continuation of a dependency and termination legal representation
15 funding pilot program.

16 (a) The goal of the pilot program shall be to enhance the quality of
17 legal representation in dependency and termination hearings, thereby
18 reducing the number of continuances requested by contract attorneys,
19 including those based on the unavailability of defense counsel. To meet the
20 goal, the pilot shall include the following components:

21 (i) A maximum caseload requirement of 90 dependency and termination
22 cases per full-time attorney;

23 (ii) Implementation of enhanced defense attorney practice standards,
24 including but not limited to those related to reasonable case preparation
25 and the delivery of adequate client advice, as developed by Washington state
26 public defense attorneys and included in the office of public defense
27 December 1999 report *Costs of Defense and Children's Representation in*
28 *Dependency and Termination Hearings*;

29 (iii) Use of investigative and expert services in appropriate cases;
30 and

31 (iv) Effective implementation of indigency screening of all dependency
32 and termination parents, guardians, and legal custodians represented by
33 appointed counsel.

34 (b) The pilot program shall be established in one eastern and one
35 western Washington juvenile court.

(c) The director shall contract for an independent evaluation of the pilot program benefits and costs. A final evaluation shall be submitted to the governor and the fiscal committees of the legislature no later than February 1, 2002.

(d) The chair of the office of public defense advisory committee shall appoint an implementation committee to:

(i) Develop criteria for a statewide program to improve dependency and termination defense;

(ii) Examine caseload impacts to the courts resulting from improved defense practices; and

(iii) Identify methods for the efficient use of expert services and means by which parents may effectively access services.

If sufficient funds are available, the office of public defense shall contract with the Washington state institute for public policy to research how reducing dependency and termination case delays affects foster care and to identify factors that are reducing the number of family reunifications that occur in dependency and termination cases.

(5) \$50,000 of the public safety and education account--state appropriation is provided solely for the evaluation required in chapter 92, Laws of 2000 (DNA testing).

(6) \$235,000 of the public safety and education account--state appropriation is provided solely for the office of public defense to contract with an existing public defender association to establish a capital defense assistance center.

Sec. 114. 2001 2nd sp.s. c 7 s 115 (uncodified) is amended to read as follows:

FOR THE OFFICE OF THE GOVERNOR

General Fund--State Appropriation (FY 2002) . . . \$	4,537,000
General Fund--State Appropriation (FY 2003) . . . \$	((4,524,000))
	<u>4,247,000</u>
General Fund--Federal Appropriation \$	219,000
Water Quality Account--State	
Appropriation \$	((3,908,000))
	<u>3,726,000</u>

1 TOTAL APPROPRIATION \$ ((~~13,188,000~~))
2 12,729,000

3 The appropriations in this section are subject to the following
4 conditions and limitations:

5 (1) ((~~\$3,908,000~~)) \$3,726,000 of the water quality account
6 appropriation and \$219,000 of the general fund--federal appropriation are
7 provided solely for the Puget Sound water quality action team to implement
8 the Puget Sound work plan and agency action items PSAT-01 through PSAT-05.

9 (2) \$100,000 of the general fund--state appropriation for fiscal year
10 2002 ((~~and \$100,000 of the general fund--state appropriation for fiscal year~~
11 ~~2003 are~~)) is provided solely for the salmon recovery office to support the
12 efforts of the independent science panel.

13 **Sec. 115.** 2001 2nd sp.s. c 7 s 117 (uncodified) is amended to read as
14 follows:

15 **FOR THE PUBLIC DISCLOSURE COMMISSION**

16 General Fund--State Appropriation (FY 2002) . . \$ 1,910,000
17 General Fund--State Appropriation (FY 2003) . . \$ ((~~1,903,000~~))
18 1,831,000
19 TOTAL APPROPRIATION \$ ((~~3,813,000~~))
20 3,741,000

21 **Sec. 116.** 2001 2nd sp.s. c 7 s 118 (uncodified) is amended to read as
22 follows:

23 **FOR THE SECRETARY OF STATE**

24 General Fund--State Appropriation (FY 2002) . . \$ ((~~10,513,000~~))
25 10,175,000
26 General Fund--State Appropriation (FY 2003) . . \$ ((~~8,707,000~~))
27 6,351,000
28 Archives and Records Management Account--State
29 Appropriation \$ ((~~7,295,000~~))
30 7,796,000
31 Archives and Records Management Account--Private/
32 Local Appropriation \$ ((~~3,860,000~~))

1		<u>4,572,000</u>
2	Department of Personnel Service Account	
3	Appropriation	\$ ((719,000))
4		<u>701,000</u>
5	TOTAL APPROPRIATION	\$ ((31,094,000))
6		<u>29,595,000</u>

7 The appropriations in this section are subject to the following
8 conditions and limitations:

9 (1) ((~~\$2,296,000~~)) \$1,796,000 of the general fund--state appropriation
10 for fiscal year 2002 is provided solely to reimburse counties for the
11 state's share of primary and general election costs and the costs of
12 conducting mandatory recounts on state measures. Counties shall be
13 reimbursed only for those odd-year election costs that the secretary of
14 state validates as eligible for reimbursement.

15 (2) ((~~\$2,193,000~~)) \$2,143,000 of the general fund--state appropriation
16 for fiscal year 2002 and ((~~\$2,712,000~~)) \$2,578,000 of the general fund--
17 state appropriation for fiscal year 2003 are provided solely for the
18 verification of initiative and referendum petitions, maintenance of related
19 voter registration records, and the publication and distribution of the
20 voters and candidates pamphlet.

21 (3) \$125,000 of the general fund--state appropriation for fiscal year
22 2002 and ((~~\$125,000~~)) \$118,000 of the general fund--state appropriation for
23 fiscal year 2003 are provided solely for legal advertising of state measures
24 under RCW 29.27.072.

25 (4)(a) \$1,944,004 of the general fund--state appropriation for fiscal
26 year 2002 and \$1,986,772 of the general fund--state appropriation for fiscal
27 year 2003 are provided solely for contracting with a nonprofit organization
28 to produce gavel-to-gavel television coverage of state government
29 deliberations and other events of statewide significance during the 2001-
30 2003 biennium. An eligible nonprofit organization must be formed solely for
31 the purpose of, and be experienced in, providing gavel-to-gavel television
32 coverage of state government deliberations and other events of statewide
33 significance and must have received a determination of tax-exempt status
34 under section 501(c)(3) of the federal internal revenue code. The funding

1 level for each year of the contract shall be based on the amount provided
2 in this subsection and adjusted to reflect the implicit price deflator for
3 the previous year. The nonprofit organization shall be required to raise
4 contributions or commitments to make contributions, in cash or in kind, in
5 an amount equal to forty percent of the state contribution. The office of
6 the secretary of state may make full or partial payment once all criteria
7 in (a) and (b) of this subsection have been satisfactorily documented.

8 (b) The legislature finds that the commitment of on-going funding is
9 necessary to ensure continuous, autonomous, and independent coverage of
10 public affairs. For that purpose, the secretary of state shall enter into
11 a four-year contract with the nonprofit organization to provide public
12 affairs coverage through June 30, 2006.

13 (c) The nonprofit organization shall prepare an annual independent
14 audit, an annual financial statement, and an annual report, including
15 benchmarks that measure the success of the nonprofit organization in meeting
16 the intent of the program.

17 (d) No portion of any amounts disbursed pursuant to this subsection may
18 be used, directly or indirectly, for any of the following purposes:

19 (i) Attempting to influence the passage or defeat of any legislation by
20 the legislature of the state of Washington, by any county, city, town, or
21 other political subdivision of the state of Washington, or by the congress,
22 or the adoption or rejection of any rule, standard, rate, or other
23 legislative enactment of any state agency;

24 (ii) Making contributions reportable under chapter 42.17 RCW; or

25 (iii) Providing any: (A) Gift; (B) honoraria; or (C) travel, lodging,
26 meals, or entertainment to a public officer or employee.

27 (5)(a) \$149,316 of the archives and records management--state
28 appropriation and \$597,266 of the archives and records management--
29 private/local appropriation are provided solely for the construction of an
30 eastern regional archives. The amounts provided in this subsection shall
31 lapse if:

32 (i) The financing contract for the construction of an eastern regional
33 archives building is not authorized in the capital budget for the 2001-03
34 fiscal biennium; or

(ii) Substitute House Bill No. 1926 (increasing the surcharge on county auditor recording fees) is not enacted by July 31, 2001.

(b) \$613,879 of the archives and records management--state appropriation and \$463,102 of the archives and records management--private/local appropriation are provided solely for the design and establishment of an electronic data archive, including the acquisition of hardware and software. The amounts provided in this subsection shall lapse if:

(i) The financing contract for acquisition of technology hardware and software for the electronic data archive is not authorized in the capital budget for the 2001-03 fiscal biennium; or

(ii) Substitute House Bill No. 1926 (increasing the surcharge on county auditor recording fees) is not enacted by June 30, 2001.

(6) If the financing contract for expansion of the state records center is not authorized in the capital budget for fiscal biennium 2001-03, then \$641,000 of the archives and records management account--state appropriation shall lapse.

(7) (~~(\$867,000)~~) \$1,635,000 of the archives and records management account--state appropriation is provided solely for operation of the central microfilming bureau under RCW 40.14.020(8).

Sec. 117. 2001 2nd sp.s. c 7 s 120 (uncodified) is amended to read as follows:

FOR THE COMMISSION ON ASIAN-AMERICAN AFFAIRS

General Fund--State Appropriation (FY 2002) . . . \$	233,000
General Fund--State Appropriation (FY 2003) . . . \$	((233,000))
	<u>201,000</u>
TOTAL APPROPRIATION \$	((466,000))
	<u>434,000</u>

Sec. 118. 2001 2nd sp.s. c 7 s 121 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER

State Treasurer's Service Account--State	
Appropriation \$	((12,870,000))

Sec. 119. 2001 2nd sp.s. c 7 s 123 (uncodified) is amended to read as follows:

FOR THE STATE AUDITOR

General Fund--State Appropriation (FY 2002) . . \$	((1,078,000))
	<u>778,000</u>
General Fund--State Appropriation (FY 2003) . . \$	((1,324,000))
	<u>1,024,000</u>
State Auditing Services Revolving Account--State	
Appropriation \$	((13,540,000))
	<u>13,347,000</u>
TOTAL APPROPRIATION \$	((15,942,000))
	<u>15,149,000</u>

The appropriations in this section are subject to the following conditions and limitations:

(1) Audits of school districts by the division of municipal corporations shall include findings regarding the accuracy of: (a) Student enrollment data; and (b) the experience and education of the district's certified instructional staff, as reported to the superintendent of public instruction for allocation of state funding.

(2) \$910,000 of the general fund--state appropriation for fiscal year 2002 and \$910,000 of the general fund--state appropriation for fiscal year 2003 are provided solely for staff and related costs to verify the accuracy of reported school district data submitted for state funding purposes; conduct school district program audits of state funded public school programs; establish the specific amount of state funding adjustments whenever audit exceptions occur and the amount is not firmly established in the course of regular public school audits; and to assist the state special education safety net committee when requested.

Sec. 120. 2001 2nd sp.s. c 7 s 125 (uncodified) is amended to read as follows:

FOR THE ATTORNEY GENERAL

1	General Fund--State Appropriation (FY 2002) . . . \$	4,811,000
2	General Fund--State Appropriation (FY 2003) . . . \$	((4,806,000))
3		<u>4,009,000</u>
4	General Fund--Federal Appropriation \$	2,868,000
5	<u>General Fund--Private/Local Appropriation</u> \$	<u>2,213,000</u>
6	Public Safety and Education Account--State	
7	Appropriation \$	((1,789,000))
8		<u>1,739,000</u>
9	Tobacco Prevention and Control Account	
10	Appropriation \$	277,000
11	New Motor Vehicle Arbitration Account--State	
12	Appropriation \$	1,163,000
13	Legal Services Revolving Account--State	
14	Appropriation \$	((147,306,000))
15		<u>145,723,000</u>
16	TOTAL APPROPRIATION \$	((163,020,000))
17		<u>162,803,000</u>

18 The appropriations in this section are subject to the following
19 conditions and limitations:

20 (1) The attorney general shall report each fiscal year on actual legal
21 services expenditures and actual attorney staffing levels for each agency
22 receiving legal services. The report shall be submitted to the office of
23 financial management and the fiscal committees of the senate and house of
24 representatives no later than ninety days after the end of each fiscal year.

25 (2) The attorney general and the office of financial management shall
26 modify the attorney general billing system to meet the needs of user
27 agencies for greater predictability, timeliness, and explanation of how
28 legal services are being used by the agency. The attorney general shall
29 provide the following information each month to agencies receiving legal
30 services: (a) The full-time equivalent attorney services provided for the
31 month; (b) the full-time equivalent investigator services provided for the
32 month; (c) the full-time equivalent paralegal services provided for the
33 month; and (d) direct legal costs, such as filing and docket fees, charged
34 to the agency for the month.

(3) Prior to entering into any negotiated settlement of a claim against the state, that exceeds five million dollars, the attorney general shall notify the director of financial management and the chairs of the senate committee on ways and means and the house of representatives committee on appropriations.

(4)(a) \$87,000 of the general fund--state appropriation for fiscal year 2003 is provided solely for the office of the attorney general to prepare a report by October 1, 2002, to the standing committees of the legislature having jurisdiction over water resources regarding federal and Indian reserved water rights. The objectives of the report shall be to:

(i) Examine and characterize the types of water rights issues involved;

(ii) Examine the approaches of other states to such issues and their results;

(iii) Examine methods for addressing such issues including, but not limited to, administrative, judicial, or other methods, or any combinations thereof; and

(iv) Examine implementation and funding requirements.

(b) Following receipt of the report, the standing committees of the legislature having jurisdiction over water resources shall seek and consider the recommendations of the relevant departments and agencies of the United States, the federally recognized Indian tribes with water-related interests in the state, and water users in the state and shall develop recommendations.

Sec. 121. 2001 2nd sp.s. c 7 s 126 (uncodified) is amended to read as follows:

FOR THE CASELOAD FORECAST COUNCIL

General Fund--State Appropriation (FY 2002)	. . \$	631,000
General Fund--State Appropriation (FY 2003)	. . \$	((619,000))
		<u>600,000</u>
TOTAL APPROPRIATION	. . . . . \$	((1,250,000))
		<u>1,231,000</u>

Sec. 122. 2001 2nd sp.s. c 7 s 127 (uncodified) is amended to read as follows:

1	FOR THE DEPARTMENT OF COMMUNITY, TRADE, AND ECONOMIC DEVELOPMENT		
2	General Fund--State Appropriation (FY 2002) . . . \$	((71,083,500))	
3			<u>70,908,000</u>
4	General Fund--State Appropriation (FY 2003) . . . \$	((70,873,500))	
5			<u>61,551,000</u>
6	General Fund--Federal Appropriation \$	173,342,000	
7	General Fund--Private/Local Appropriation \$	7,980,000	
8	Public Safety and Education Account--State		
9	Appropriation \$	((10,300,000))	
10			<u>10,014,000</u>
11	Public Works Assistance Account--State		
12	Appropriation \$	1,911,000	
13	<u>Salmon Recovery Account--State Appropriation . . . \$</u>		<u>1,500,000</u>
14	Film and Video Promotion Account--State		
15	Appropriation \$	25,000	
16	Building Code Council Account--State		
17	Appropriation \$	((1,061,000))	
18			<u>1,226,000</u>
19	Administrative Contingency Account--State		
20	Appropriation \$	1,777,000	
21	Low-Income Weatherization Assistance Account--State		
22	Appropriation \$	3,292,000	
23	Violence Reduction and Drug Enforcement Account--		
24	State Appropriation \$	((6,081,000))	
25			<u>7,459,000</u>
26	Manufactured Home Installation Training Account--		
27	State Appropriation \$	256,000	
28	Community Economic Development Account--		
29	State Appropriation \$	113,000	
30	Washington Housing Trust Account--State		
31	Appropriation \$	((5,597,000))	
32			<u>7,585,000</u>
33	Public Facility Construction Loan Revolving		
34	Account--State Appropriation \$	550,000	
35	TOTAL APPROPRIATION \$	((354,242,000))	

The appropriations in this section are subject to the following conditions and limitations:

(1) It is the intent of the legislature that the department of community, trade, and economic development receive separate programmatic allotments for the office of community development and the office of trade and economic development. Any appropriation made to the department of community, trade, and economic development for carrying out the powers, functions, and duties of either office shall be credited to the appropriate office.

(2) \$3,085,000 of the general fund--state appropriation for fiscal year 2002 and (~~(\$3,085,000)~~) \$2,992,000 of the general fund--state appropriation for fiscal year 2003 are provided solely for a contract with the Washington technology center. For work essential to the mission of the Washington technology center and conducted in partnership with universities, the center shall not pay any increased indirect rate nor increases in other indirect charges above the absolute amount paid during the 1995-97 fiscal biennium.

(3) \$61,000 of the general fund--state appropriation for fiscal year 2002 and \$62,000 of the general fund--state appropriation for fiscal year 2003 are provided solely for the implementation of the Puget Sound work plan and agency action item OCD-01.

(4) \$10,403,445 of the general fund--federal appropriation is provided solely for the drug control and system improvement formula grant program, to be distributed in state fiscal year 2002 as follows:

(a) \$3,603,250 to local units of government to continue multijurisdictional narcotics task forces;

(b) \$620,000 to the department to continue the drug prosecution assistance program in support of multijurisdictional narcotics task forces;

(c) \$1,363,000 to the Washington state patrol for coordination, investigative, and supervisory support to the multijurisdictional narcotics task forces and for methamphetamine education and response;

(d) \$200,000 to the department for grants to support tribal law enforcement needs;

1 (e) \$991,000 to the department of social and health services, division
2 of alcohol and substance abuse, for drug courts in eastern and western
3 Washington;

4 (f) \$302,551 to the department for training and technical assistance of
5 public defenders representing clients with special needs;

6 (g) \$88,000 to the department to continue a substance abuse treatment
7 in jails program, to test the effect of treatment on future criminal
8 behavior;

9 (h) \$697,075 to the department to continue domestic violence legal
10 advocacy;

11 (i) \$903,000 to the department of social and health services, juvenile
12 rehabilitation administration, to continue youth violence prevention and
13 intervention projects;

14 (j) \$60,000 to the Washington association of sheriffs and police chiefs
15 to complete the state and local components of the national incident-based
16 reporting system;

17 (k) \$60,000 to the department for community-based advocacy services to
18 victims of violent crime, other than sexual assault and domestic violence;

19 (l) \$91,000 to the department to continue the governor's council on
20 substance abuse;

21 (m) \$99,000 to the department to continue evaluation of Byrne formula
22 grant programs;

23 (n) \$500,469 to the office of financial management for criminal history
24 records improvement; and

25 (o) \$825,100 to the department for required grant administration,
26 monitoring, and reporting on Byrne formula grant programs.

27 These amounts represent the maximum Byrne grant expenditure authority
28 for each program. No program may expend Byrne grant funds in excess of the
29 amounts provided in this subsection. If moneys in excess of those
30 appropriated in this subsection become available, whether from prior or
31 current fiscal year Byrne grant distributions, the department shall hold
32 these moneys in reserve and may not expend them without specific
33 appropriation. These moneys shall be carried forward and applied to the
34 pool of moneys available for appropriation for programs and projects in the
35 succeeding fiscal year. As part of its budget request for the succeeding

1 year, the department shall estimate and request authority to spend any funds
2 remaining in reserve as a result of this subsection.

3 (5) \$470,000 of the general fund--state appropriation for fiscal year
4 2002 and \$470,000 of the general fund--state appropriation for fiscal year
5 2003 are provided solely for rural economic development activities including
6 \$200,000 for the Washington manufacturing service, and \$100,000 for business
7 retention and expansion.

8 (6) \$1,250,000 of the general fund--state appropriation for fiscal year
9 2002 and \$1,250,000 of the general fund--state appropriation for fiscal year
10 2003 are provided solely for grants to operate, repair, and staff shelters
11 for homeless families with children.

12 (7) \$2,500,000 of the general fund--state appropriation for fiscal year
13 2002 and \$2,500,000 of the general fund--state appropriation for fiscal year
14 2003 are provided solely for grants to operate transitional housing for
15 homeless families with children. The grants may also be used to make
16 partial payments for rental assistance.

17 (8) \$1,250,000 of the general fund--state appropriation for fiscal year
18 2002 and \$1,250,000 of the general fund--state appropriation for fiscal year
19 2003 are provided solely for consolidated emergency assistance to homeless
20 families with children.

21 (9) \$205,000 of the general fund--state appropriation for fiscal year
22 2002 and \$205,000 of the general fund--state appropriation for fiscal year
23 2003 are provided solely for grants to Washington Columbia river gorge
24 counties to implement their responsibilities under the national scenic area
25 management plan. Of this amount, \$390,000 is provided for Skamania county
26 and \$20,000 is provided for Clark county.

27 (10) \$698,000 of the general fund--state appropriation for fiscal year
28 2002, \$698,000 of the general fund--state appropriation for fiscal year
29 2003, and \$1,101,000 of the administrative contingency account appropriation
30 are provided solely for contracting with associate development organizations
31 to maintain existing programs.

32 (11) \$600,000 of the public safety and education account appropriation
33 is provided solely for sexual assault prevention and treatment programs

1 (12) \$680,000 of the Washington housing trust account appropriation is
2 provided solely to conduct a pilot project designed to lower infrastructure
3 costs for residential development.

4 (13) \$50,000 of the general fund--state appropriation for fiscal year
5 2002 and \$50,000 of the general fund--state appropriation for fiscal year
6 2003 are provided to the department solely for providing technical
7 assistance to developers of housing for farmworkers.

8 (14) \$370,000 of the general fund--state appropriation for fiscal year
9 2002, (~~(\$371,000)~~) \$352,000 of the general fund--state appropriation for
10 fiscal year 2003, and \$25,000 of the film and video promotion account
11 appropriation are provided solely for the film office to bring film and
12 video production to Washington state.

13 (15) \$22,000 of the general fund--state appropriation for fiscal year
14 2002 (~~(and \$23,000 of the general fund--state appropriation for fiscal year~~
15 ~~2003 are))~~ is provided solely as a matching grant to support the Washington
16 state senior games. State funding shall be matched with at least an equal
17 amount of private or local governmental funds.

18 (16) \$500,000 of the general fund--state appropriation for fiscal year
19 2002 and \$500,000 of the general fund--state appropriation for fiscal year
20 2003 are provided solely for grants to food banks and food distribution
21 centers to increase their ability to accept, store, and deliver perishable
22 food.

23 (17) \$230,000 of the general fund--state appropriation for fiscal year
24 2002, \$230,000 of the general fund--state appropriation for fiscal year
25 2003, and the entire community economic development account appropriation
26 are provided solely for support of the developmental disabilities endowment
27 governing board and startup costs of the endowment program. Startup costs
28 are a loan from the state general fund and will be repaid from funds within
29 the program as determined by the governing board. The governing board may
30 use state appropriations to implement a sliding-scale fee waiver for
31 families earning below 150 percent of the state median family income. The
32 director of the department, or the director of the subsequent department of
33 community development, may implement fees to support the program as provided
34 under RCW 43.330.152.

1 (18) \$880,000 of the public safety and education account appropriation
2 is provided solely for community-based legal advocates to assist sexual
3 assault victims with both civil and criminal justice issues. If Senate Bill
4 No. 5309 is not enacted by June 30, 2001, the amount provided in this
5 subsection shall lapse.

6 (19) \$65,000 of the general fund--state appropriation for fiscal year
7 2002 and \$65,000 of the general fund--state appropriation for fiscal year
8 2003 are provided solely for a contract with a food distribution program for
9 communities in the southwestern portion of the state and for workers
10 impacted by timber and salmon fishing closures and reductions. The
11 department may not charge administrative overhead or expenses to the funds
12 provided in this subsection.

13 (20) \$120,000 of the general fund--state appropriation for fiscal year
14 2002 and \$120,000 of the (~~general fund--state~~) Washington housing trust
15 account appropriation for fiscal year 2003 are provided solely as one-time
16 pass-through funding to currently licensed overnight youth shelters. If
17 Substitute House Bill No. 2060 (low-income housing) is not enacted by June
18 30, 2002, the fiscal year 2003 appropriation shall be made from the state
19 general fund.

20 (21) \$1,868,000 of the Washington housing trust account appropriation
21 for fiscal year 2003 is provided solely for emergency shelter assistance.
22 If Substitute House Bill No. 2060 (low-income housing) is not enacted by
23 June 30, 2002, the fiscal year 2003 appropriation shall be made from the
24 state general fund.

25 (22) Repayments of outstanding loans granted under RCW 43.63A.600, the
26 mortgage and rental assistance program, shall be remitted to the department,
27 including any current revolving account balances. The department shall
28 contract with a lender or contract collection agent to act as a collection
29 agent of the state. The lender or contract collection agent shall collect
30 payments on outstanding loans, and deposit them into an interest-bearing
31 account. The funds collected shall be remitted to the department quarterly.
32 Interest earned in the account may be retained by the lender or contract
33 collection agent, and shall be considered a fee for processing payments on
34 behalf of the state. Repayments of loans granted under this chapter shall

1 be made to the lender or contract collection agent as long as the loan is
2 outstanding, notwithstanding the repeal of the chapter.

3 ~~((+22+))~~ (23) \$75,000 of the general fund--state appropriation for
4 fiscal year 2002 ~~((and \$75,000 of the general fund--state appropriation for
5 fiscal year 2003 are))~~ is provided solely for the community connections
6 program in Walla Walla.

7 ~~((+23+))~~ (24) \$100,000 of the general fund--state appropriation for
8 fiscal year 2002 and \$100,000 of the general fund--state appropriation for
9 fiscal year 2003 are provided to the office of community development solely
10 for the purposes of providing assistance to industrial workers who have been
11 displaced by energy cost-related industrial plant closures in rural
12 counties. For purposes of this subsection, "rural county" is as defined in
13 RCW 82.14.370(5). The office of community development shall distribute the
14 amount in this subsection to community agencies that assist the displaced
15 industrial workers in meeting basic needs including, but not limited to,
16 emergency medical and dental services, family and mental health counseling,
17 food, energy costs, mortgage, and rental costs. The department shall not
18 retain more than two percent of the amount provided in this subsection for
19 administrative costs.

20 ~~((+24+))~~ (25) \$91,500 of the general fund--state appropriation for
21 fiscal year 2002 and \$91,500 of the general fund--state appropriation for
22 fiscal year 2003 are provided solely for services related to the foreign
23 representative contract for Japan.

24 ~~((+25+))~~ (26) \$81,000 of the general fund--state appropriation for
25 fiscal year 2002 and \$81,000 of the general fund--state appropriation for
26 fiscal year 2003 are provided solely for business finance and loan programs.

27 ~~((+26+))~~ (27) \$150,000 of the general fund--state appropriation for
28 fiscal year 2002 is provided solely for the quick sites initiative program.

29 ~~((+27+))~~ (28) \$120,000 of the general fund--state appropriation for
30 fiscal year 2002 and \$120,000 of the general fund--state appropriation for
31 fiscal year 2003 are provided solely for operating a business information
32 hotline.

33 ~~((+28+))~~ (29) \$29,000 of the general fund--state appropriation for
34 fiscal year 2002 and \$29,000 of the general fund--state appropriation for
35 fiscal year 2003 are provided solely for travel expenses associated with the

1 office of trade and economic development's provision of outreach and
2 technical assistance services to businesses and local economic development
3 associations.

4 ~~((+29+))~~ (30) \$100,000 of the general fund--state appropriation for
5 fiscal year 2002 and \$100,000 of the general fund--state appropriation for
6 fiscal year 2003 are provided solely for information technology enhancements
7 designed to improve the delivery of agency services to customers.

8 (31) \$15,000 of the general fund--state appropriation for fiscal year
9 2002 is provided for the energy division to include the following
10 information in the biennial energy report to be transmitted to the governor
11 and the legislature by December 1, 2002: (a) Identification of methods for
12 the creation of new electricity capacity in advance of any critical need;
13 (b) identification and analysis of incentives and disincentives for building
14 new generation and transmission capacity; (c) identification of methods to
15 encourage demand management options and technologies; (d) an estimate of
16 current and future contributions to global climate change attributable to
17 state government; (e) identification and analysis of specific strategies and
18 options to reduce or offset contributions to global climate change
19 attributable to state government's energy consumption, including reducing
20 the state's consumption of electricity through pursuit of cost-effective
21 energy conservation and efficiency opportunities and increasing the
22 proportion of electricity state government purchases through an electric
23 utility from clean energy resources; and (f) the results of efforts by the
24 department of general administration and other state agencies to aggregate
25 purchasing of clean technologies.

26 (32) \$300,000 of the general fund--state appropriation for fiscal year
27 2003 is provided to reimburse nonprofit associations engaged in the
28 production and performance of musical, dance, artistic, dramatic, or
29 literary works for the benefit of the general public for back leasehold
30 excise taxes assessed by the department of revenue.

31 (33) \$10,512,393 of the general fund--federal appropriation is provided
32 solely for the drug control and system improvement formula grant program,
33 to be distributed in state fiscal year 2003 as follows:

34 (a) \$3,551,972 to local units of government to continue
35 multijurisdictional narcotics task forces;

1 (b) \$611,177 to the department to continue the drug prosecution
2 assistance program in support of multijurisdictional narcotics task forces;

3 (c) \$1,343,603 to the Washington state patrol for coordination,
4 investigative, and supervisory support to the multijurisdictional narcotics
5 task forces and for methamphetamine education and response;

6 (d) \$197,154 to the department for grants to support tribal law
7 enforcement needs;

8 (e) \$976,897 to the department of social and health services, division
9 of alcohol and substance abuse, for drug courts in eastern and western
10 Washington;

11 (f) \$298,246 to the department for training and technical assistance of
12 public defenders representing clients with special needs;

13 (g) \$687,155 to the department to continue domestic violence legal
14 advocacy;

15 (h) \$890,150 to the department of social and health services, juvenile
16 rehabilitation administration, to continue youth violence prevention and
17 intervention projects;

18 (i) \$89,705 to the department to continue the governor's council on
19 substance abuse;

20 (j) \$97,591 to the department to continue evaluation of Byrne formula
21 grant programs;

22 (k) \$895,386 to the office of financial management for criminal history
23 records improvement;

24 (l) \$60,000 to the department for community-based advocacy services to
25 victims of violent crime, other than sexual assault and domestic violence;
26 and

27 (m) \$813,358 to the department for required grant administration,
28 monitoring, and reporting on Byrne formula grant programs.

29 These amounts represent the maximum Byrne grant expenditure authority
30 for each program. No program may expend Byrne grant funds in excess of the
31 amounts provided in this subsection. If moneys in excess of those
32 appropriated in this subsection become available, whether from prior or
33 current fiscal year Byrne grant distributions, the department shall hold
34 these moneys in reserve and may not expend them without specific
35 appropriation. These moneys shall be carried forward and applied to the

1 pool of moneys available for appropriation for programs and projects in the
2 succeeding fiscal year. As part of its budget request for the succeeding
3 year, the department shall estimate and request authority to spend any funds
4 remaining in reserve as a result of this subsection.

5 (34) \$35,000 of the general fund--state appropriation for fiscal year
6 2003 is provided solely for the department to contract with a statewide
7 trade association exclusively representing mobile home park owners to
8 deliver training courses to mobile home park managers as part of a
9 certification process included in Senate Bill No. 5694 (certification
10 program for mobile home park managers). If the bill is not enacted by June
11 30, 2002, the amount provided in this subsection shall lapse.

12 (35) \$165,000 of the building code council account appropriation for
13 fiscal year 2003 is provided solely for the state building code council
14 pursuant to Senate Bill No. 5352 (building code council fee increase). If
15 the bill is not enacted by June 30, 2002, the amount provided in this
16 subsection shall lapse.

17 (36) \$129,000 of the mobile home park relocation account appropriation
18 for fiscal year 2003 is provided solely for the department to administer the
19 mobile home relocation assistance program as provided by Second Substitute
20 Senate Bill No. 5354 (mobile home relocation assistance fee). If the bill
21 is not enacted by June 30, 2002, the amount provided in this subsection
22 shall lapse.

23 **Sec. 123.** 2001 2nd sp.s. c 7 s 128 (uncodified) is amended to read as
24 follows:

25 **FOR THE ECONOMIC AND REVENUE FORECAST COUNCIL**

26	General Fund--State Appropriation (FY 2002) . . \$	512,000
27	General Fund--State Appropriation (FY 2003) . . \$	((514,000))
28		<u>499,000</u>
29	TOTAL APPROPRIATION \$	((1,026,000))
30		<u>1,011,000</u>

31 **Sec. 124.** 2001 2nd sp.s. c 7 s 129 (uncodified) is amended to read as
32 follows:

33 **FOR THE OFFICE OF FINANCIAL MANAGEMENT**

1	General Fund--State Appropriation (FY 2002) . . . \$	12,456,000
2	General Fund--State Appropriation (FY 2003) . . . \$	((12,024,000))
3		<u>11,615,000</u>
4	General Fund--Federal Appropriation \$	23,657,000
5	Violence Reduction and Drug Enforcement	
6	Account--State Appropriation \$	((229,000))
7		<u>224,000</u>
8	State Auditing Services Revolving	
9	Account--State Appropriation \$	25,000
10	TOTAL APPROPRIATION \$	((48,391,000))
11		<u>47,977,000</u>

12 The appropriations in this section are subject to the following
13 conditions and limitations: The office of financial management shall review
14 policies and procedures regarding purchasing of information technology
15 upgrades by state agencies. Information technology upgrades include
16 replacement workstations, network equipment, operating systems and
17 application software. The review shall document existing policies and
18 procedures, and shall compare alternative upgrade policies that reduce the
19 overall cost to state government for maintaining adequate information
20 technology to meet the existing business needs of state agencies. Findings
21 and recommendations from this review shall be reported to appropriate
22 committees of the legislature by December 1, 2001.

23 **Sec. 125.** 2001 2nd sp.s. c 7 s 130 (uncodified) is amended to read as
24 follows:

25 **FOR THE OFFICE OF ADMINISTRATIVE HEARINGS**

26	Administrative Hearings Revolving Account--State	
27	Appropriation \$	((21,938,000))
28		<u>22,394,000</u>

29 **Sec. 126.** 2001 2nd sp.s. c 7 s 131 (uncodified) is amended to read as
30 follows:

31 **FOR THE DEPARTMENT OF PERSONNEL**

32 Department of Personnel Service Account--State

1	Appropriation	\$	((17,297,000))
2			<u>17,035,000</u>
3	Higher Education Personnel Services Account--State		
4	Appropriation	\$	1,636,000
5	TOTAL APPROPRIATION	\$	((18,933,000))
6			<u>18,671,000</u>

7 The appropriations in this section are subject to the following
8 conditions and limitations: The department of personnel may charge agencies
9 through the data processing revolving account up to \$561,000 in fiscal year
10 2002 to study the development of a new personnel and payroll system.
11 Funding to cover these expenses shall be realized from agency FICA savings
12 associated with the pretax benefits contributions plans. Funding is subject
13 to section 902 of this act.

14 **Sec. 127.** 2001 2nd sp.s. c 7 s 132 (uncodified) is amended to read as
15 follows:

16 **FOR THE WASHINGTON STATE LOTTERY**

17	Lottery Administrative Account--State		
18	Appropriation	\$	((22,130,000))
19			<u>21,795,000</u>

20 NEW SECTION. **Sec. 128.** A new section is added to 2001 2nd sp.s. c 7
21 (uncodified) to read as follows:

22 **STATE GAMBLING COMMISSION.** (1) The state gambling commission is
23 directed to reduce its fiscal year 2003 expenditures from the gambling
24 revolving account by the amount of \$450,000.

25 (2) The state gambling commission is authorized to increase existing
26 fees in excess of the fiscal growth factor established by Initiative Measure
27 No. 601, if necessary, to meet the actual costs of conducting business.

28 **Sec. 129.** 2001 2nd sp.s. c 7 s 133 (uncodified) is amended to read as
29 follows:

30 **FOR THE COMMISSION ON HISPANIC AFFAIRS**

31	General Fund--State Appropriation (FY 2002) . .	\$	226,000
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The appropriations in this section are subject to the following conditions and limitations:

(1) \$1,000,000 of the department of retirement systems expense account appropriation is provided solely for support of the information systems project known as the electronic document image management system.

(2) \$120,000 of the department of retirement systems expense account appropriation is provided solely for locating inactive members entitled to retirement benefits.

(3) \$117,000 of the department of retirement systems expense account appropriation is provided solely for modifications to the retirement information systems to accommodate tracking of postretirement employment on an hourly basis.

(4) \$440,000 of the department of retirement systems expense account appropriation is provided solely for the implementation of Engrossed Senate Bill No. 5143 (Washington state patrol retirement systems plan 2).

(5) \$6,420,000 of the department of retirement systems expense account appropriation is provided solely for the implementation of public employees' retirement system plan 3 (chapter 247, Laws of 2000).

(6) \$101,000 of the department of retirement systems expense account-- state appropriation is provided solely to implement Senate Bill No. 5144 (LEOFF survivor benefit). If the bill is not enacted by July 31, 2001, the amount provided in this subsection shall lapse.

(7) \$744,000 of the department of retirement systems expense account-- state appropriation is provided solely to implement Second Engrossed Substitute Senate Bill No. 6166 (LEOFF restructuring). If the bill is not enacted by July 31, 2001, the amount provided in this subsection shall lapse.

(8) \$225,000 of the department of retirement systems expense account appropriation is provided solely for monitoring and actuarial services for the state retirement systems.

(9) \$285,000 of the department of retirement systems expense account appropriation is provided solely for the implementation of Engrossed Substitute Senate Bill No. 5264 (employer unfair practices). If the bill

1 is not enacted by June 30, 2002, the amount provided in this subsection
2 shall lapse.

3 (10) \$96,000 of the department of retirement systems expense account
4 appropriation is provided solely for the implementation of Senate Bill No.
5 6376 (PERS plan 3 transfer payment). If the bill is not enacted by June 30,
6 2002, the amount provided in this subsection shall lapse.

7 (11) \$9,000 of the department of retirement systems expense account
8 appropriation is provided solely for the implementation of Senate Bill No.
9 6377 (TRS plan 1 extended school year). If the bill is not enacted by June
10 30, 2002, the amount provided in this subsection shall lapse.

11 (12) \$12,000 of the department of retirement systems expense account
12 appropriation is provided solely for the implementation of Senate Bill No.
13 6378 (LEOFF plan 2 part-time leave of absence). If the bill is not enacted
14 by June 30, 2002, the amount provided in this subsection shall lapse.

15 (13) \$122,000 of the department of retirement systems expense account
16 appropriation is provided solely for the implementation of Senate Bill No.
17 6379 (transferring service credit to WSPRS). If the bill is not enacted by
18 June 30, 2002, the amount provided in this subsection shall lapse.

19 (14) \$651,000 of the department of retirement systems expense account
20 appropriation is provided solely for the implementation of Engrossed Senate
21 Bill No. 6380 (survivor benefits). If the bill is not enacted by June 30,
22 2002, the amount provided in this subsection shall lapse.

23 (15) \$53,000 of the department of retirement systems expense account
24 appropriation is provided solely for the implementation of Senate Bill No.
25 6381 (PERS plan 1 terminated vested). If the bill is not enacted by June
26 30, 2002, the amount provided in this subsection shall lapse.

27 **Sec. 133.** 2001 2nd sp.s. c 7 s 137 (uncodified) is amended to read as
28 follows:

29 **FOR THE STATE INVESTMENT BOARD**

30 State Investment Board Expense Account--State

31 Appropriation \$ ((~~12,876,000~~))

32 13,461,000

1 membership or a nonvoting chair who is not a member of the committee.
2 Members of the committee shall serve without compensation but shall be
3 reimbursed for travel expenses under RCW 43.03.050 and 43.03.060.

4 (2) The purpose of the study is to determine how well the current tax
5 system functions and how it might be changed to better serve the citizens
6 of the state in the twenty-first century. In reviewing options for changes
7 to the tax system, the committee shall develop multiple alternatives to the
8 existing tax system. To the extent possible, the alternatives shall be
9 designed to increase the harmony between the tax system of this state and
10 the surrounding states, encourage commerce and business creation, and
11 encourage home ownership. In developing alternatives, the committee shall
12 examine and consider the effects of tax incentives, including exemptions,
13 deferrals, and credits. The alternatives shall range from incremental
14 improvements in the current tax structure to complete replacement of the tax
15 structure. In conducting the study, the committee shall examine the tax
16 structures of other states and review previous studies regarding tax reform
17 in this state. In developing alternatives, the committee shall be guided
18 by administrative simplicity, economic neutrality, fairness, stability, and
19 transparency. Most of the alternatives presented by the committee to the
20 legislature shall be revenue neutral and contain no income tax.

21 (3) The department shall create an advisory group to include, but not
22 be limited to, representatives of business, state agencies, local
23 governments, labor, taxpayers, and other advocacy groups. The group shall
24 provide advice and assistance to the committee.

25 (4) The committee shall present a final report of its findings and
26 alternatives to the ways and means committee in the senate and the finance
27 committee in the house of representatives by November 30, 2002.

28 (5) \$50,000 of the general fund--state appropriation for fiscal year
29 2003 is provided solely to implement Senate Bill No. 6821 (local government
30 finance). If the bill is not enacted by June 30, 2002, the amount provided
31 in this subsection shall lapse.

32 (6) \$6,260,000 of the general fund--state appropriation for fiscal year
33 2003 is provided solely for the department's initiative to increase tax
34 collection, tax discovery, and compliance.

1 (7) \$90,000 of the general fund--state appropriation for fiscal year
2 2003 is provided solely for the department to conduct a study of tax
3 incentives.

4 (a) The tax incentives covered by the study shall include the
5 following:

6 (i) The rural county distressed areas sales tax deferral and exemption
7 under chapter 82.60 RCW;

8 (ii) The rural county business and occupation tax credit for computer
9 software development in RCW 82.04.4456;

10 (iii) The business and occupation tax jobs credit under chapter 82.60
11 RCW;

12 (iv) The business and occupation tax credit for international services
13 under RCW 82.04.44525;

14 (v) The business and occupation tax credit for help-desk services in
15 rural counties under RCW 82.04.4457;

16 (vi) The high technology business and occupation tax credit under RCW
17 82.04.4452;

18 (vii) The high technology sales tax deferral/exemption in chapter 82.63
19 RCW; and

20 (viii) The manufacturing, research and development, and testing
21 operations sales and use tax exemptions under RCW 82.08.02565 and
22 82.12.02565.

23 (b) The study shall maintain the confidentiality of individual
24 businesses, and participation by businesses in the study is completely
25 voluntary.

26 (c) The purpose of the study is to allow the legislature to evaluate
27 the success of tax incentives in terms of job creation, product development,
28 and other factors that are considered a return on investment of public
29 funds. The study shall include information such as the amount of the
30 incentive taken, the annual number of net new jobs as a result of the
31 incentive, current employment, number of new products developed, the types
32 and amounts of other taxes paid, whether the business expanded or is located
33 in a certain area as a result of the incentive, and other nonproprietary
34 information determined by the department to be relevant to the study.

(d) The department shall report to the appropriate legislative committees of the senate and house of representatives by November 30, 2002.

Sec. 135. 2001 2nd sp.s. c 7 s 139 (uncodified) is amended to read as follows:

FOR THE BOARD OF TAX APPEALS

General Fund--State Appropriation (FY 2002) . . \$	((1,193,000))
	<u>1,162,000</u>
General Fund--State Appropriation (FY 2003) . . \$	((1,038,000))
	<u>1,017,000</u>
TOTAL APPROPRIATION \$	((2,231,000))
	<u>2,179,000</u>

Sec. 136. 2001 2nd sp.s. c 7 s 142 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF GENERAL ADMINISTRATION

General Fund--State Appropriation (FY 2002) . . \$	549,000
General Fund--State Appropriation (FY 2003) . . \$	630,000
General Fund--Federal Appropriation \$	1,930,000
General Fund--Private/Local Appropriation \$	((444,000))
	<u>223,000</u>
State Capitol Vehicle Parking Account--	
State Appropriation \$	154,000
General Administration Services Account--State	
Appropriation \$	((41,419,000))
	<u>39,560,000</u>
TOTAL APPROPRIATION \$	((45,126,000))
	<u>43,046,000</u>

The appropriations in this section are subject to the following conditions and limitations:

(1) The department shall conduct a review of the ultimate purchasing system to evaluate the following: (a) The degree to which program objectives and assumptions were achieved; (b) the degree to which planned schedule of phases, tasks, and activities were accomplished; (c) an

1 assessment of estimated and actual costs of each phase; (d) an assessment
2 of project cost recovery/cost avoidance, return on investment, and
3 measurable outcomes as each relate to the agency's business functions and
4 other agencies' business functions; and (e) the degree to which integration
5 with the agency and state information technology infrastructure was
6 achieved. The department will receive written input from participating
7 pilot agencies that describes measurable organizational benefits and cost
8 avoidance opportunities derived from use of the ultimate purchasing system.
9 The performance review shall be submitted to the office of financial
10 management and the appropriate legislative fiscal committees by July 1,
11 2002.

12 (2) \$60,000 of the general administration services account
13 appropriation is provided solely for costs associated with the development
14 of the information technology architecture to link the risk management
15 information system and the tort division's case management system, and the
16 reconciliation of defense cost reimbursement information.

17 **Sec. 137.** 2001 2nd sp.s. c 7 s 143 (uncodified) is amended to read as
18 follows:

19 **FOR THE DEPARTMENT OF INFORMATION SERVICES**

20 Data Processing Revolving Account--State

21	Appropriation	\$	((3,706,000))
22			<u>3,610,000</u>

23 The appropriation in this section is subject to the following
24 conditions and limitations:

25 (1) Fifteen independent private, nonprofit colleges, located in
26 Washington state, have requested connection to the K-20 educational
27 telecommunications network. These K-20 connections shall be provided to the
28 private schools on a full cost reimbursement basis, net of the value of
29 services and information provided by the private institutions, based on
30 criteria approved by the K-20 board.

31 (2) Some private K-12 schools have requested limited "pilot
32 connections" to the K-20 network to test the technical and economic
33 feasibility of one or more connection models. These K-20 connections shall

be provided to the private K-12 schools on a full cost reimbursement basis, net of the value of services and information provided by the private K-12 schools based on criteria approved by the K-20 board.

(3) In the 2001-03 biennium, the department shall incorporate statewide elements for a common technology infrastructure into the state strategic information technology plan that state agencies shall then use in establishing individual agency business applications.

(4) The department shall implement the \$10,800,000 service rate reduction it proposed on August 14, 2000.

Sec. 138. 2001 2nd sp.s. c 7 s 144 (uncodified) is amended to read as follows:

FOR THE INSURANCE COMMISSIONER

General Fund--Federal Appropriation	\$	622,000
Insurance Commissioners Regulatory Account--State		
Appropriation	\$	((29,053,000))
		<u>29,562,000</u>
TOTAL APPROPRIATION	\$	((29,675,000))
		<u>30,184,000</u>

The appropriations in this section are subject to the following conditions and limitations: \$693,000 of the insurance commissioner's regulatory account appropriation is provided solely for moving and renovation costs associated with the colocation of the agency's Olympia-area facilities. Expenditures from this amount shall be subject to the approval of the department of general administration.

Sec. 139. 2001 2nd sp.s. c 7 s 147 (uncodified) is amended to read as follows:

FOR THE HORSE RACING COMMISSION

Horse Racing Commission Account--State		
Appropriation	\$	((4,504,000))
		<u>4,436,000</u>

Sec. 140. 2001 2nd sp.s. c 7 s 148 (uncodified) is amended to read as follows:

FOR THE LIQUOR CONTROL BOARD

General Fund--State Appropriation (FY 2002) . . \$	1,483,000
General Fund--State Appropriation (FY 2003) . . \$	((1,484,000))
	<u>1,439,000</u>
Liquor Control Board Construction and Maintenance	
Account--State Appropriation \$	((8,114,000))
	<u>8,054,000</u>
Liquor Revolving Account--State	
Appropriation \$	((142,148,000))
	<u>127,600,000</u>
TOTAL APPROPRIATION \$	((153,229,000))
	<u>138,576,000</u>

The appropriations in this section are subject to the following conditions and limitations:

(1) \$1,573,000 of the liquor revolving account appropriation is provided solely for the agency information technology upgrade. This amount provided in this subsection is conditioned upon satisfying the requirements of section 902 of this act.

(2) \$4,803,000 of the liquor revolving account appropriation is provided solely for the costs associated with the development and implementation of a merchandising business system. Expenditures of any funds for this system are conditioned upon the approval of the merchandising business system's feasibility study by the information services board. The amount provided in this subsection is also conditioned upon satisfying the requirements of section 902 of this act.

Sec. 141. 2001 2nd sp.s. c 7 s 149 (uncodified) is amended to read as follows:

FOR THE UTILITIES AND TRANSPORTATION COMMISSION

Public Service Revolving Account--State	
Appropriation \$	((27,108,000))
	<u>26,702,000</u>

1	Pipeline Safety Account--State	
2	Appropriation	\$ 3,305,000
3	Pipeline Safety Account--Federal	
4	Appropriation	\$ 822,000
5	TOTAL APPROPRIATION	\$ ((31,235,000))
6		<u>30,829,000</u>

7 The appropriations in this section are subject to the following
8 conditions and limitations:

9 (1) \$3,011,000 of the pipeline safety account--state appropriation and
10 \$822,000 of the pipeline safety account--federal appropriation are provided
11 solely for the implementation of Substitute Senate Bill No. 5182 (pipeline
12 safety). If the bill is not enacted by June 30, 2001, the amount provided
13 in this subsection shall lapse.

14 (2) \$294,000 of the pipeline safety account--state appropriation is
15 provided solely for an interagency agreement with the joint legislative
16 audit and review committee for a report on hazardous liquid and gas pipeline
17 safety programs. The committee shall review staff use, inspection activity,
18 fee methodology, and costs of the hazardous liquid and gas pipeline safety
19 programs and report to the appropriate legislative committees by July 1,
20 2003. The report shall include a comparison of interstate and intrastate
21 programs, including but not limited to the number and complexity of regular
22 and specialized inspections, mapping requirements for each program, and
23 allocation of administrative costs to each program. If Substitute Senate
24 Bill No. 5182 (pipeline safety) is not enacted by June 30, 2001, the amount
25 provided in this section shall lapse.

26 **Sec. 142.** 2001 2nd sp.s. c 7 s 151 (uncodified) is amended to read as
27 follows:

28 **FOR THE MILITARY DEPARTMENT**

29	General Fund--State Appropriation (FY 2002) . .	\$ 9,165,000
30	General Fund--State Appropriation (FY 2003) . .	\$ ((8,979,000))
31		<u>8,530,000</u>
32	General Fund--Federal Appropriation	\$ 22,509,000
33	General Fund--Private/Local Appropriation \$	234,000

1	Enhanced 911 Account--State Appropriation	\$	((16,544,000))
2			<u>20,269,000</u>
3	Disaster Response Account--State Appropriation	\$	((582,000))
4			<u>1,906,000</u>
5	Disaster Response Account--Federal Appropriation	\$	((3,392,000))
6			<u>6,510,000</u>
7	Worker and Community Right to Know Fund--State		
8	Appropriation	\$	283,000
9	Nisqually Earthquake Account--State		
10	Appropriation	\$	((37,884,000))
11			<u>29,027,000</u>
12	Nisqually Earthquake Account--Federal		
13	Appropriation	\$	((157,795,000))
14			<u>49,641,000</u>
15	TOTAL APPROPRIATION	\$	((257,367,000))
16			<u>148,074,000</u>

17 The appropriations in this section are subject to the following
18 conditions and limitations:

19 (1) ((~~\$582,000~~)) \$1,906,000 of the disaster response account--state
20 appropriation is provided solely for the state share of response and
21 recovery costs associated with federal emergency management agency (FEMA)
22 disasters approved in the 1999-01 biennium budget. The military department
23 may, upon approval of the director of financial management, use portions of
24 the disaster response account--state appropriation to offset costs of new
25 disasters occurring before June 30, 2003. The military department shall
26 submit a report quarterly to the office of financial management and the
27 legislative fiscal committees detailing disaster costs, including: (a)
28 Estimates of total costs; (b) incremental changes from the previous
29 estimate; (c) actual expenditures; (d) estimates of total remaining costs
30 to be paid; and (d) estimates of future payments by biennium. This
31 information shall be displayed by individual disaster, by fund, and by type
32 of assistance. The military department shall also submit a report quarterly
33 to the office of financial management and the legislative fiscal committees
34 detailing information on the disaster response account, including: (a) The

1 amount and type of deposits into the account; (b) the current available fund
2 balance as of the reporting date; and (c) the projected fund balance at the
3 end of the 2001-03 biennium based on current revenue and expenditure
4 patterns.

5 (2) \$100,000 of the general fund--state fiscal year 2002 appropriation
6 and \$100,000 of the general fund--state fiscal year 2003 appropriation are
7 provided solely for implementation of the conditional scholarship program
8 pursuant to chapter 28B.103 RCW.

9 (3) \$60,000 of the general fund--state appropriation for fiscal year
10 2002 and \$60,000 of the general fund--state appropriation for fiscal year
11 2003 are provided solely for the implementation of Senate Bill No. 5256
12 (emergency management compact). If the bill is not enacted by June 30,
13 2001, the amounts provided in this subsection shall lapse.

14 (4) \$35,000 of the general fund--state fiscal year 2002 appropriation
15 and \$35,000 of the general fund--state fiscal year 2003 appropriation are
16 provided solely for the north county emergency medical service.

17 (5) (~~(\$1,374,000)~~) \$2,145,000 of the Nisqually earthquake account--
18 state appropriation and (~~(\$3,861,000)~~) \$4,174,000 of the Nisqually
19 earthquake account--federal appropriation are provided solely for the
20 military department's costs associated with coordinating the state's
21 response to the February 28, 2001, earthquake.

22 (6) (~~(\$1,347,000)~~) \$678,000 of the Nisqually earthquake account--state
23 appropriation and (~~(\$5,359,000)~~) \$3,420,000 of the Nisqually earthquake
24 account--federal appropriation are provided solely for mitigation costs
25 associated with the earthquake for state and local agencies. Of the amount
26 from the Nisqually earthquake account--state appropriation, (~~(\$898,000)~~)
27 \$217,000 is provided for the state matching share for state agencies and
28 (~~(\$449,000)~~) \$462,000 is provided for one-half of the local matching share
29 for local entities. The amount provided for the local matching share
30 constitutes a revenue distribution for purposes of RCW 43.135.060(1).

31 (7) (~~(\$35,163,000)~~) \$8,970,000 of the Nisqually earthquake account--
32 state appropriation and (~~(\$148,575,000)~~) \$42,047,000 of the Nisqually
33 earthquake account--federal appropriation are provided solely for public
34 assistance costs associated with the earthquake for state and local
35 agencies. Of the amount from the Nisqually earthquake account--state

1 appropriation, ((~~\$20,801,000~~)) \$3,924,000 is provided for the state matching
2 share for state agencies and ((~~\$14,362,000~~)) \$5,046,000 is provided for one-
3 half of the local matching share for local entities. The amount provided
4 for the local matching share constitutes a revenue distribution for purposes
5 of RCW 43.135.060(1). ~~((Upon approval of the director of financial~~
6 ~~management, the military department may use portions of the Nisqually~~
7 ~~earthquake account--state appropriations to cover other response and~~
8 ~~recovery costs associated with the Nisqually earthquake that are not~~
9 ~~eligible for federal emergency management agency reimbursement. The~~
10 ~~military department is to submit a quarterly report detailing the costs~~
11 ~~authorized under this subsection to the office of financial management and~~
12 ~~the legislative fiscal committees.))~~

13 (8) \$17,234,000 of the Nisqually earthquake account--state
14 appropriation is provided solely to cover other response and recovery costs
15 associated with the Nisqually earthquake that are not eligible for federal
16 emergency management agency reimbursement. Prior to expending funds
17 provided in this subsection, the military department shall obtain prior
18 approval of the director of financial management. Prior to approving any
19 single project of over \$1,000,000, the office of financial management shall
20 notify the fiscal committees of the legislature. The military department
21 is to submit a quarterly report detailing the costs authorized under this
22 subsection to the office of financial management and the legislative fiscal
23 committees.

24 (9) \$2,818,000 of the enhanced 911 account--state appropriation is
25 provided solely for the implementation of Engrossed Second Substitute Senate
26 Bill No. 6034 or House Bill No. 2595 (enhanced 911 excise tax). If neither
27 bill is enacted by June 30, 2002, the amount provided in this subsection
28 shall lapse.

29 **Sec. 143.** 2001 2nd sp.s. c 7 s 152 (uncodified) is amended to read as
30 follows:

31 **FOR THE PUBLIC EMPLOYMENT RELATIONS COMMISSION**

32 General Fund--State Appropriation (FY 2002) . . \$ ((~~2,154,000~~))
33 2,225,000

34 General Fund--State Appropriation (FY 2003) . . \$ ((~~2,164,000~~))

1 2,339,000
2 TOTAL APPROPRIATION \$ ((4,318,000))
3 4,564,000

4 The appropriations in this section are subject to the following
5 conditions and limitations:

6 (1) \$71,000 of the general fund--state appropriation for fiscal year
7 2002 and \$214,000 of the general fund--state appropriation for fiscal year
8 2003 are provided solely for the purpose of implementing requirements
9 associated with Initiative Measure No. 775 (home care workers).

10 (2) \$47,000 of the general fund--state appropriation for fiscal year
11 2003 is provided solely to implement House Bill No. 2403 and House Bill No.
12 2540 (higher education collective bargaining). If House Bill No. 2403 is
13 not enacted by June 30, 2002, the amount provided in this subsection shall
14 lapse.

15 **Sec. 144.** 2001 2nd sp.s. c 7 s 153 (uncodified) is amended to read as
16 follows:

17 **FOR THE GROWTH PLANNING HEARINGS BOARD**

18 General Fund--State Appropriation (FY 2002) . . \$ 1,497,000
19 General Fund--State Appropriation (FY 2003) . . \$ ((1,506,000))
20 1,431,000
21 TOTAL APPROPRIATION \$ ((3,003,000))
22 2,928,000

23 **Sec. 145.** 2001 2nd sp.s. c 7 s 154 (uncodified) is amended to read as
24 follows:

25 **FOR THE STATE CONVENTION AND TRADE CENTER**

26 State Convention and Trade Center Operating
27 Account--State Appropriation \$ ((37,848,000))
28 37,269,000
29 State Convention and Trade Center Account--State
30 Appropriation \$ 29,886,000
31 TOTAL APPROPRIATION \$ ((67,734,000))

1

67,155,000

2

(End of part)

PART II

HUMAN SERVICES

Sec. 201. 2001 2nd sp.s. c 7 s 201 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES. (1) Appropriations made in this act to the department of social and health services shall initially be allotted as required by this act. Subsequent allotment modifications shall not include transfers of moneys between sections of this act except as expressly provided in this act, nor shall allotment modifications permit moneys that are provided solely for a specified purpose to be used for other than that purpose, except as expressly provided in subsection (3) of this section.

(2) The department of social and health services shall not initiate any services that will require expenditure of state general fund moneys unless expressly authorized in this act or other law. The department may seek, receive, and spend, under RCW 43.79.260 through 43.79.282, federal moneys not anticipated in this act as long as the federal funding does not require expenditure of state moneys for the program in excess of amounts anticipated in this act. If the department receives unanticipated unrestricted federal moneys, those moneys shall be spent for services authorized in this act or in any other legislation providing appropriation authority, and an equal amount of appropriated state general fund moneys shall lapse. Upon the lapsing of any moneys under this subsection, the office of financial management shall notify the legislative fiscal committees. As used in this subsection, "unrestricted federal moneys" includes block grants and other funds that federal law does not require to be spent on specifically defined projects or matched on a formula basis by state funds.

(3)(a) The appropriations to the department of social and health services in this act shall be expended for the programs and in the amounts specified in this act. However, after May 1, 2002, unless specifically prohibited by this act, the department may transfer general fund--state appropriations for fiscal year 2002 among programs after approval by the

1 director of financial management. However, the department shall not
2 transfer state moneys that are provided solely for a specified purpose
3 except as expressly provided in subsection (3)(b) of this section.

4 (b) To the extent that transfers under subsection (3)(a) of this
5 section are insufficient to fund actual expenditures in excess of fiscal
6 year 2002 caseload forecasts and utilization assumptions in the medical
7 assistance, long-term care, foster care, adoption support, and child support
8 programs, the department may transfer state moneys that are provided solely
9 for a specified purpose after approval by the director of financial
10 management.

11 (c) The director of financial management shall notify the appropriate
12 fiscal committees of the senate and house of representatives in writing
13 prior to approving any allotment modifications.

14 (4) In the event the department receives additional unrestricted
15 federal funds or achieves savings in excess of that anticipated in this act,
16 the department shall use up to \$5,000,000 of such funds to initiate a pilot
17 project providing integrated support services to homeless individuals
18 needing mental health services, alcohol or substance abuse treatment,
19 medical care, or who demonstrate community safety concerns. Before such a
20 pilot project is initiated, the department shall notify the fiscal
21 committees of the legislature of the plans for such a pilot project
22 including the source of funds to be used.

23 **Sec. 202.** 2001 2nd sp.s. c 7 s 202 (uncodified) is amended to read as
24 follows:

25 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--CHILDREN AND FAMILY**
26 **SERVICES PROGRAM**

27 General Fund--State Appropriation (FY 2002) . . \$ ((225,789,000))

28 225,104,000

29 General Fund--State Appropriation (FY 2003) . . \$ ((239,013,000))

30 230,601,000

31 General Fund--Federal Appropriation \$ ((372,408,000))

32 369,895,000

33 General Fund--Private/Local Appropriation \$ 400,000

34 Public Safety and Education Account--

1 State Appropriation \$ ((987,000))
2 957,000
3 Violence Reduction and Drug Enforcement Account--
4 State Appropriation \$ ((5,702,000))
5 5,588,000
6 TOTAL APPROPRIATION \$ ((844,299,000))
7 832,545,000

8 The appropriations in this section are subject to the following
9 conditions and limitations:

10 (1) \$2,237,000 of the fiscal year 2002 general fund--state
11 appropriation, (((\$2,288,000)) \$2,271,000 of the fiscal year 2003 general
12 fund--state appropriation, and (((\$1,590,000)) \$1,584,000 of the general
13 fund--federal appropriation are provided solely for the category of services
14 titled "intensive family preservation services."

15 (2) (((\$685,000)) \$644,000 of the general fund--state fiscal year
16 ((2002)) 2003 appropriation and (((\$701,000)) \$654,000 of the general fund--
17 ((state fiscal year 2003)) federal appropriation are provided to contract
18 for ((the operation of one)) facility and nonfacility-based pediatric
19 interim care ((facility)) services. ((The facility shall provide
20 residential care for up to thirteen children through two years of age.
21 Seventy-five percent of the children served by the facility must be in need
22 of special care as a result of substance abuse by their mothers. The
23 facility shall also provide on-site training to biological, adoptive, or
24 foster parents. The facility shall provide at least three months of
25 consultation and support to parents accepting placement of children from the
26 facility. The facility may recruit new and current foster and adoptive
27 parents for infants served by the facility. The department shall not
28 require case management as a condition of the contract.

29 ~~— (3) \$524,000 of the general fund--state fiscal year 2002 appropriation~~
30 ~~and \$536,000 of the general fund--state fiscal year 2003 appropriation are~~
31 ~~provided for up to three nonfacility-based programs for the training,~~
32 ~~consultation, support, and recruitment of biological, foster, and adoptive~~
33 ~~parents of children through age three in need of special care as a result~~
34 ~~of substance abuse by their mothers, except that each program may serve up~~

1 ~~to three medically fragile nonsubstance-abuse-affected children. In~~
2 ~~selecting nonfacility-based programs, preference shall be given to programs~~
3 ~~whose federal or private funding sources have expired or that have~~
4 ~~successfully performed under the existing pediatric interim care progra~~
5 ~~—(4))~~ (3) \$1,260,000 of the fiscal year 2002 general fund--state
6 appropriation, \$1,248,000 of the fiscal year 2003 general fund--state
7 appropriation, and ~~(((\$4,196,000))~~ \$4,082,000 of the violence reduction and
8 drug enforcement account appropriation are provided solely for the family
9 policy council and community public health and safety networks. The funding
10 level for the family policy council and community public health and safety
11 networks represents a 25 percent reduction below the funding level for the
12 1999-2001 biennium. Funding levels shall be reduced 25 percent for both the
13 family policy council and network grants. Reductions to network grants shall
14 be allocated so as to maintain current funding levels, to the greatest
15 extent possible, for projects with the strongest evidence of positive
16 outcomes and for networks with substantial compliance with contracts for
17 network grants.

18 ~~((+5))~~ (4) \$2,215,000 of the fiscal year 2002 general fund--state
19 appropriation, \$4,394,000 of the fiscal year 2003 general fund--state
20 appropriation, and \$5,604,000 of the general fund--federal appropriation are
21 provided solely for reducing the average caseload level per case-carrying
22 social worker. Average caseload reductions are intended to increase the
23 amount of time social workers spend in direct contact with the children,
24 families, and foster parents involved with their open cases. The department
25 shall use some of the funds provided in several local offices to increase
26 staff that support case-carrying social workers in ways that will allow
27 social workers to increase direct contact time with children, families, and
28 foster parents. To achieve the goal of reaching an average caseload ratio
29 of 1:24 by the end of fiscal year 2003, the department shall develop a plan
30 for redeploying 30 FTEs to case-carrying social worker and support positions
31 from other areas in the children and family services budget. The FTE
32 redeployment plan shall be submitted to the fiscal committees of the
33 legislature by December 1, 2001.

34 ~~((+6))~~ (5) \$1,000,000 of the fiscal year 2002 general fund--state
35 appropriation and \$1,000,000 of the fiscal year 2003 general fund--state

1 appropriation are provided solely for increasing foster parent respite care
2 services that improve the retention of foster parents and increase the
3 stability of foster placements. The department shall report quarterly to
4 the appropriate committees of the legislature progress against appropriate
5 baseline measures for foster parent retention and stability of foster
6 placements.

7 ~~((+7))~~ (6) \$1,050,000 of the general fund--federal appropriation is
8 provided solely for increasing kinship care placements for children who
9 otherwise would likely be placed in foster care. These funds shall be used
10 for extraordinary costs incurred by relatives at the time of placement, or
11 for extraordinary costs incurred by relatives after placement if such costs
12 would likely cause a disruption in the kinship care placement. \$50,000 of
13 the funds provided shall be contracted to the Washington institute for
14 public policy to conduct a study of kinship care placements. The study
15 shall examine the prevalence and needs of families who are raising related
16 children and shall compare services and policies of Washington state with
17 other states that have a higher rate of kinship care placements in lieu of
18 foster care placements. The study shall identify possible changes in
19 services and policies that are likely to increase appropriate kinship care
20 placements.

21 ~~((+8))~~ (7) \$3,386,000 of the fiscal year 2002 general fund--state
22 appropriation, ~~((+7,671,000))~~ \$4,679,000 of the fiscal year 2003 general
23 fund--state appropriation, and ~~((+20,819,000))~~ \$19,709,000 of the general
24 fund--federal appropriation are provided solely for increases in the cost
25 per case for foster care and adoption support. \$16,000,000 of the general
26 fund--federal amount shall remain unallotted until the office of financial
27 management approves a plan submitted by the department to achieve a higher
28 rate of federal earnings in the foster care program. That plan shall also
29 be submitted to the fiscal committees of the legislature and shall indicate
30 projected federal revenue compared to actual fiscal year 2001 levels.
31 Within the amounts provided for foster care, the department shall increase
32 the basic rate for foster care to an average of \$420 per month on July 1,
33 2001~~((, and to an average of \$440 per month on July 1, 2002))~~. The
34 department shall use the remaining funds provided in this subsection to pay
35 for increases in the cost per case for foster care and adoption support.

The department shall seek to control rate increases and reimbursement decisions for foster care and adoption support cases such that the cost per case for family foster care, group care, receiving homes, and adoption support does not exceed the amount assumed in the projected caseload expenditures plus the amounts provided in this subsection.

~~((9))~~ (8) \$1,767,000 of the general fund--state appropriation for fiscal year 2002, ~~(((\$2,461,000))~~ \$1,767,000 of the general fund--state appropriation for fiscal year 2003, and ~~(((\$1,485,000))~~ \$1,241,000 of the general fund--federal appropriation are provided solely for rate and capacity increases for child placing agencies. Child placing agencies shall increase their capacity by 15 percent in fiscal year 2002 ~~((and 30 percent in fiscal year 2003))~~.

~~((10))~~ (9) The department shall provide secure crisis residential facilities across the state in a manner that: (a) Retains geographic provision of these services; and (b) retains beds in high use areas.

~~((11))~~ (10) \$125,000 of the general fund--state appropriation for fiscal year 2002 and \$125,000 of the general fund--state appropriation for fiscal year 2003 are provided solely for a foster parent retention program. This program is directed at foster parents caring for children who act out sexually, as described in House Bill No. 1525 (foster parent retention program).

Sec. 203. 2001 2nd sp.s. c 7 s 203 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--JUVENILE REHABILITATION PROGRAM

((1) COMMUNITY SERVICES))	
General Fund--State Appropriation (FY 2002) . . . \$	((36,625,000))
	<u>83,151,000</u>
General Fund--State Appropriation (FY 2003) . . . \$	((38,125,000))
	<u>79,199,000</u>
General Fund--Federal Appropriation \$	((14,609,000))
	<u>14,031,000</u>
General Fund--Private/Local Appropriation \$	((380,000))
	<u>1,110,000</u>

1 Juvenile Accountability Incentive

2 Account--Federal Appropriation \$ ((~~9,361,000~~))

3 10,461,000

4 Public Safety and Education

5 Account--State Appropriation \$ ((~~6,196,000~~))

6 5,999,000

7 Violence Reduction and Drug Enforcement Account--

8 State Appropriation \$ ((~~21,972,000~~))

9 36,838,000

10 TOTAL APPROPRIATION \$ ((~~127,268,000~~))

11 230,789,000

12 The appropriations in this subsection are subject to the following

13 conditions and limitations:

14 ((~~(a)~~)) (1) \$686,000 of the violence reduction and drug enforcement

15 account appropriation is provided solely for deposit in the county criminal

16 justice assistance account for costs to the criminal justice system

17 associated with the implementation of chapter 338, Laws of 1997 (juvenile

18 code revisions). The amounts provided in this subsection are intended to

19 provide funding for county adult court costs associated with the

20 implementation of chapter 338, Laws of 1997 and shall be distributed in

21 accordance with RCW 82.14.310.

22 ((~~(b)~~)) (2) \$5,980,000 of the violence reduction and drug enforcement

23 account appropriation is provided solely for the implementation of chapter

24 338, Laws of 1997 (juvenile code revisions). The amounts provided in this

25 subsection are intended to provide funding for county impacts associated

26 with the implementation of chapter 338, Laws of 1997 and shall be

27 distributed to counties as prescribed in the current consolidated juvenile

28 services (CJS) formula.

29 ((~~(c)~~)) (3) \$1,161,000 of the general fund--state appropriation for

30 fiscal year 2002, \$1,162,000 of the general fund--state appropriation for

31 fiscal year 2003, and \$5,190,000 of the violence reduction and drug

32 enforcement account appropriation are provided solely to implement community

33 juvenile accountability grants pursuant to chapter 338, Laws of 1997

34 (juvenile code revisions). Funds provided in this subsection may be used

solely for community juvenile accountability grants, administration of the grants, and evaluations of programs funded by the grants.

((~~(d)~~)) (4) \$2,515,000 of the violence reduction and drug enforcement account appropriation is provided solely to implement alcohol and substance abuse treatment programs for locally committed offenders. The juvenile rehabilitation administration shall award these moneys on a competitive basis to counties that submitted a plan for the provision of services approved by the division of alcohol and substance abuse. The juvenile rehabilitation administration shall develop criteria for evaluation of plans submitted and a timeline for awarding funding and shall assist counties in creating and submitting plans for evaluation.

((~~(e)~~)) (5) \$100,000 of the general fund--state appropriation for fiscal year 2002 and \$100,000 of the general fund--state appropriation for fiscal year 2003 are provided solely for juvenile rehabilitation administration to contract with the institute for public policy for responsibilities assigned in chapter 338, Laws of 1997 (juvenile code revisions).

((~~(f)~~)) (6) \$100,000 of the general fund--state appropriation for fiscal year 2002 and \$100,000 of the general fund--state appropriation for fiscal year 2003 are provided solely for a contract for expanded services of the teamchild project.

((~~(g)~~)) (7) \$423,000 of the general fund--state appropriation for fiscal year 2002, ((~~\$924,000~~)) \$754,100 of the general fund--state appropriation for fiscal year 2003, ((~~\$174,000~~)) \$152,000 of the general fund--federal appropriation, ((~~\$196,000~~)) \$172,000 of the public safety and education assistance account appropriation, and ((~~\$690,000~~)) \$604,000 of the violence reduction and drug enforcement account appropriation are provided solely to increase payment rates for contracted service providers.

((~~(h)~~)) (8) \$16,000 of the general fund--state appropriation for fiscal year 2002 and \$16,000 of the general fund--state appropriation for fiscal year 2003 are provided solely for the implementation of chapter 167, Laws of 1999 (firearms on school property). The amounts provided in this subsection are intended to provide funding for county impacts associated with the implementation of chapter 167, Laws of 1999, and shall be

distributed to counties as prescribed in the current consolidated juvenile services (CJS) formula.

((~~(i)~~)) (9) \$3,441,000 of the general fund--state appropriation for fiscal year 2002 and \$3,441,000 of the general fund--state appropriation for fiscal year 2003 are provided solely for distribution to county juvenile court administrators to fund the costs of processing truancy, children in need of services, and at-risk youth petitions. The department shall not retain any portion of these funds to cover administrative or any other departmental costs. The department, in conjunction with the juvenile court administrators, shall develop an equitable funding distribution formula. The formula shall neither reward counties with higher than average per-petition processing costs nor shall it penalize counties with lower than average per-petition processing costs.

((~~(j)~~)) (10) \$6,000,000 of the public safety and education account--state appropriation is provided solely for distribution to county juvenile court administrators to fund the costs of processing truancy, children in need of services, and at-risk youth petitions. ~~((To the extent that distributions made under (i) and (j) of this subsection and pursuant to section 801 of this act exceed actual costs of processing truancy, children in need of services, and at-risk youth petitions, the department, in consultation with the respective juvenile court administrator and the county, may approve expenditure of funds provided in this subsection on other costs of the civil or criminal justice system. When this occurs, the department shall notify the office of financial management and the legislative fiscal committees.))~~ The department shall not retain any portion of these funds to cover administrative or any other departmental costs. The department, in conjunction with the juvenile court administrators, shall develop an equitable funding distribution formula. The formula shall neither reward counties with higher than average per-petition processing costs nor shall it penalize counties with lower than average per-petition processing costs.

((~~(k)~~)) (11) The distributions made under ((~~(i)~~)) (9) and ((~~(j)~~)) (10) of this subsection and distributions from the county criminal justice assistance account made pursuant to section 801 of this act constitute

appropriate reimbursement for costs for any new programs or increased level of service for purposes of RCW 43.135.060.

~~((11))~~ (12) Each quarter during the 2001-03 fiscal biennium, each county shall report the number of petitions processed and the total actual costs of processing the petitions in each of the following categories: Truancy, children in need of services, and at-risk youth. Counties shall submit the reports to the department no later than 45 days after the end of the quarter. The department shall forward this information to the chair and ranking minority member of the house of representatives appropriations committee and the senate ways and means committee no later than 60 days after a quarter ends. These reports are deemed informational in nature and are not for the purpose of distributing funds.

~~((11))~~ (13) \$1,692,000 of the juvenile accountability incentive account--federal appropriation is provided solely for the continued implementation of a pilot program to provide for postrelease planning and treatment of juvenile offenders with co-occurring disorders.

~~((11))~~ (14) \$22,000 of the violence reduction and drug enforcement account appropriation is provided solely for the evaluation of the juvenile offender co-occurring disorder pilot program implemented pursuant to (m) of this subsection.

~~((10))~~ (15) \$900,000 of the general fund--state appropriation for fiscal year 2002 and \$900,000 of the general fund--state appropriation for fiscal year 2003 are provided solely for the continued implementation of the juvenile violence prevention grant program established in section 204, chapter 309, Laws of 1999.

~~((11))~~ (16) \$33,000 of the general fund--state appropriation for fiscal year 2002 and \$29,000 of the general fund--state appropriation for fiscal year 2003 are provided solely for the implementation of House Bill No. 1070 (juvenile offender basic training). If the bill is not enacted by June 30, 2001, the amounts provided in this subsection shall lapse.

~~((11))~~ (17) \$21,000 of the general fund--state appropriation for fiscal year 2002 and \$42,000 of the general fund--state appropriation for fiscal year 2003 are provided solely for the implementation of Senate Bill No. 5468 (chemical dependency). If the bill is not enacted by June 30, 2001, the amounts provided in this subsection shall lapse.

~~((r))~~ (18) The juvenile rehabilitation administration, in consultation with the juvenile court administrators, may agree on a formula to allow the transfer of funds among amounts appropriated for consolidated juvenile services, community juvenile accountability act grants, the chemically dependent disposition alternative, and the special sex offender disposition alternative.

~~((2) INSTITUTIONAL SERVICES~~

General Fund--State Appropriation (FY 2002)	\$	46,773,000
General Fund--State Appropriation (FY 2003)	\$	48,735,000
General Fund--Federal Appropriation	\$	14,000
General Fund--Private/Local Appropriation	\$	740,000
Violence Reduction and Drug Enforcement Account--		
State Appropriation	\$	15,280,000
TOTAL APPROPRIATION	\$	111,542,000

~~The appropriations in this subsection are subject to the following conditions and limitations:))~~ (19) \$40,000 of the general fund--state appropriation for fiscal year 2002 and ~~(((\$84,000))~~ \$68,000 of the general fund--state appropriation for fiscal year 2003 are provided solely to increase payment rates for contracted service providers.

~~((3) PROGRAM SUPPORT~~

General Fund--State Appropriation (FY 2002)	\$	1,738,000
General Fund--State Appropriation (FY 2003)	\$	1,765,000
General Fund--Federal Appropriation	\$	307,000
Juvenile Accountability Incentive Account--Federal		
Appropriation	\$	1,100,000
Violence Reduction and Drug Enforcement Account--		
State Appropriation	\$	421,000
TOTAL APPROPRIATION	\$	5,331,000))

(20) \$728,000 of the general fund--state appropriation for fiscal year 2003 is provided solely for providing additional research-based services to the juvenile parole population. The juvenile rehabilitation administration shall consult with the institute for public policy in deciding which interventions to provide to the parole population.

(21) \$9,000 of the general fund--state appropriation for fiscal year 2003 is provided solely for the implementation of Substitute Senate Bill No. 6473 or Substitute House Bill No. 2468 (DNA database). If neither bill is enacted by June 30, 2002, the amount provided in this subsection shall lapse.

(22) The juvenile rehabilitation administration shall continue to allot and expend funds provided in this section by the category and budget unit structure submitted to the legislative evaluation and accountability program committee.

Sec. 204. 2001 2nd sp.s. c 7 s 204 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--MENTAL HEALTH PROGRAM

(1) COMMUNITY SERVICES/REGIONAL SUPPORT NETWORKS

General Fund--State Appropriation (FY 2002) . . . \$	((191,089,000))
	<u>195,266,000</u>

General Fund--State Appropriation (FY 2003) . . . \$	((194,884,000))
	<u>182,055,000</u>

General Fund--Federal Appropriation \$	((339,077,000))
	<u>358,657,000</u>

General Fund--Local Appropriation \$	((4,363,000))
	<u>21,133,000</u>

Health Services Account--State	
Appropriation \$	2,450,000

TOTAL APPROPRIATION \$	((731,863,000))
	<u>759,561,000</u>

The appropriations in this subsection are subject to the following conditions and limitations:

(a) Regional support networks shall use portions of the general fund--state appropriation for implementation of working agreements with the vocational rehabilitation program which will maximize the use of federal funding for vocational programs.

(b) From the general fund--state appropriations in this subsection, the secretary of social and health services shall assure that regional support

1 networks reimburse the aging and adult services program for the general
2 fund--state cost of medicaid personal care services that enrolled regional
3 support network consumers use because of their psychiatric disability.

4 (c) \$388,000 of the general fund--state appropriation for fiscal year
5 2002, (~~(\$1,927,000)~~) \$2,829,000 of the general fund--state appropriation for
6 fiscal year 2003, and (~~(\$2,349,000)~~) \$3,157,000 of the general fund--federal
7 appropriation are provided solely for development and operation of community
8 residential and support services for persons whose treatment needs
9 constitute substantial barriers to community placement and who no longer
10 require active psychiatric treatment at an inpatient hospital level of care,
11 no longer meet the criteria for inpatient involuntary commitment, and who
12 are clinically ready for discharge from a state psychiatric hospital. In
13 the event that enough patients are not transitioned or diverted from the
14 state hospitals to close at least two hospital wards by July 2002, and
15 (~~((two))~~) four additional wards by April 2003, a proportional share of these
16 funds shall be transferred to the appropriations in subsection (2) of this
17 section to support continued care of the patients in the state hospitals.
18 Primary responsibility and accountability for provision of appropriate
19 community support for persons placed with these funds shall reside with the
20 mental health program and the regional support networks, with partnership
21 and active support from the alcohol and substance abuse and from the aging
22 and adult services programs. The department shall negotiate performance-
23 based incentive contracts (~~((with those regional support networks which have~~
24 ~~the most viable plans for providing appropriate community support services~~
25 ~~for significant numbers of persons from their area who would otherwise be~~
26 ~~served in the state hospitals))~~ to provide appropriate community support
27 services for individuals leaving the state hospitals under this subsection.
28 The department shall first seek to contract with regional support networks
29 before offering a contract to any other party. The funds appropriated in
30 this subsection shall not be considered "available resources" as defined in
31 RCW 71.24.025 and are not subject to the standard allocation formula applied
32 in accordance with RCW 71.24.035(13)(a).

33 (d) At least \$1,000,000 of the federal block grant funding appropriated
34 in this subsection shall be used for (i) initial development, training, and
35 operation of the community support teams which will work with long-term

1 state hospital residents prior and subsequent to their return to the
2 community; and (ii) development of support strategies which will reduce the
3 unnecessary and excessive use of state and local hospitals for short-term
4 crisis stabilization services. Such strategies may include training and
5 technical assistance to community long-term care and substance abuse
6 providers; the development of diversion beds and stabilization support
7 teams; examination of state hospital policies regarding admissions; and the
8 development of new contractual standards to assure that the statutory
9 requirement that 85 percent of short-term detentions be managed locally is
10 being fulfilled. The department shall report to the fiscal and policy
11 committees of the legislature on the results of these efforts by November
12 1, 2001, and again by November 1, 2002.

13 (e) The department is authorized to implement a new formula for
14 allocating available resources among the regional support networks. The
15 distribution formula shall use the number of persons eligible for the state
16 medical programs funded under chapter 74.09 RCW as the measure of the
17 requirement for the number of acutely mentally ill, chronically mentally
18 ill, severely emotionally disturbed children, and seriously disturbed in
19 accordance with RCW 71.24.035(13)(a). The new formula shall be phased in
20 over a period of no less than six years. Furthermore, the department shall
21 increase the medicaid capitation rates which a regional support network
22 would otherwise receive under the formula by an amount sufficient to assure
23 that total funding allocated to the regional support network in fiscal year
24 2002 increases by up to ~~((2.1))~~ 3.5 percent over the amount actually paid
25 to that regional support network in fiscal year 2001, and by up to an
26 additional ~~((2.3))~~ 5.0 percent in fiscal year 2003, if total funding to the
27 regional support network would otherwise increase by less than those
28 percentages under the new formula, and provided that the nonfederal share
29 of the higher medicaid payment rate is provided by the regional support
30 network from local funds.

31 (f) Within funds appropriated in this subsection, the department shall
32 contract with the Clark county regional support network for development and
33 operation of a project demonstrating collaborative methods for providing
34 intensive mental health services in the school setting for severely
35 emotionally disturbed children who are medicaid eligible. Project services

1 are to be delivered by teachers and teaching assistants who qualify as, or
2 who are under the supervision of, mental health professionals meeting the
3 requirements of chapter 275-57 WAC. The department shall increase medicaid
4 payments to the regional support network by the amount necessary to cover
5 the necessary and allowable costs of the demonstration, not to exceed the
6 upper payment limit specified for the regional support network in the
7 department's medicaid waiver agreement with the federal government after
8 meeting all other medicaid spending requirements assumed in this subsection.
9 The regional support network shall provide the department with (i) periodic
10 reports on project service levels, methods, and outcomes; and (ii) an
11 intergovernmental transfer equal to the state share of the increased
12 medicaid payment provided for operation of this project.

13 (g) The health services account appropriation is provided solely for
14 implementation of strategies which the department and the affected regional
15 support networks conclude will best assure continued availability of
16 community-based inpatient psychiatric services in all areas of the state.
17 Such strategies may include, but are not limited to, emergency contracts for
18 continued operation of inpatient facilities otherwise at risk of closure
19 because of demonstrated uncompensated care; start-up grants for development
20 of evaluation and treatment facilities; and increases in the rate paid for
21 inpatient psychiatric services for medically indigent and/or general
22 assistance for the unemployed patients. The funds provided in this
23 subsection must be: (i) Prioritized for use in those areas of the state
24 which are at greatest risk of lacking sufficient inpatient psychiatric
25 treatment capacity, rather than being distributed on a formula basis; (ii)
26 prioritized for use by those hospitals which do not receive low-income
27 disproportionate share hospital payments as of the date of application for
28 funding; and (iii) matched on a one-quarter local, three-quarters state
29 basis by funding from the regional support network or networks in the area
30 in which the funds are expended. Payments from the amount provided in this
31 subsection shall not be made to any provider that has not agreed that,
32 except for prospective rate increases, the payment shall offset, on a
33 dollar-for-dollar basis, any liability that may be established against, or
34 any settlement that may be agreed to by the state, regarding the rate of
35 state reimbursement for inpatient psychiatric care. The funds provided in

1 this subsection shall not be considered "available resources" as defined in
2 RCW 71.24.025 and are not subject to the distribution formula established
3 pursuant to RCW 71.24.035.

4 (h) The department shall assure that no regional support network uses
5 more than 8.0 percent of the state and federal funds received from
6 appropriations in this subsection for regional support network
7 administration.

8 (i) The department shall assure that each regional support network
9 increases spending on direct client services in fiscal years 2002 and 2003
10 by at least the same percentage as the total state, federal, and local funds
11 allocated to the regional support network in those years exceeds the amounts
12 allocated to it in fiscal year 2001.

13 (j) The department shall reduce state funding otherwise payable to a
14 regional support network in fiscal years 2002 and 2003 by the full amount
15 by which the regional support network's reserves and fund balances as of
16 December 31, 2001, exceed the required risk reserve for that regional
17 support network. The required reserve amount shall be calculated by
18 applying the risk reserve percentage specified in the department's contract
19 with the regional support network to the total state and federal revenues
20 for which the regional support network would otherwise be eligible in
21 accordance with this subsection. As used in this subsection, "reserves"
22 does not include capital project reserves established in accordance with
23 state accounting and reporting standards before January 1, 2002.

24 (k) The department shall maintain the same relative allocation of
25 budgeted, nonforensic state hospital beds among the regional support
26 networks as was in effect during fiscal year 2002 until at least thirty days
27 after adjournment of the first regular legislative session following
28 submission of a report on the appropriate allocation of these beds. In
29 preparing the report, the department shall: (i) Utilize the most current
30 and reliable applicable academic research, and shall consult with academic
31 and other national experts on mental health inpatient care; (ii) estimate
32 the relative need for short-term and long-term inpatient psychiatric care
33 in each of the state's regions, based upon the factors that the experts
34 identify as the best predictors of need, including geographic proximity to
35 the hospitals; and (iii) identify options for changing the current

distribution of state hospital beds among the regional support networks.
The report shall be prepared in consultation with representatives of people
with mental illness and the regional support networks, and shall be
submitted to appropriate committees of the legislature. This subsection
does not prohibit the replacement of current state hospital beds with
community alternatives as provided elsewhere in this section.

(2) INSTITUTIONAL SERVICES

General Fund--State Appropriation (FY 2002) . . \$	((85,836,000))
	<u>84,075,000</u>
General Fund--State Appropriation (FY 2003) . . \$	((83,001,000))
	<u>80,887,000</u>
General Fund--Federal Appropriation \$	((139,098,000))
	<u>140,131,000</u>
General Fund--Private/Local Appropriation \$	((29,289,000))
	<u>29,920,000</u>
TOTAL APPROPRIATION \$	((337,224,000))
	<u>335,013,000</u>

The appropriations in this subsection are subject to the following conditions and limitations:

(a) The state mental hospitals may use funds appropriated in this subsection to purchase goods and supplies through hospital group purchasing organizations when it is cost-effective to do so.

(b) The mental health program at Western state hospital shall continue to use labor provided by the Tacoma prerelease program of the department of corrections.

(c) The department shall seek to reduce the census of the two state psychiatric hospitals by ((~~120~~)) 178 beds by April 2003 by arranging and providing community residential, mental health, and other support services for long-term state hospital patients whose treatment needs constitute substantial barriers to community placement and who no longer require active psychiatric treatment at an inpatient hospital level of care, no longer meet the criteria for inpatient involuntary commitment, and who are clinically ready for discharge from a state psychiatric hospital. No such patient is to move from the hospital until a team of community professionals has become

1 familiar with the person and their treatment plan; assessed their strengths,
2 preferences, and needs; arranged a safe, clinically-appropriate, and stable
3 place for them to live; assured that other needed medical, behavioral, and
4 social services are in place; and is contracted to monitor the person's
5 progress on an ongoing basis. The department and the regional support
6 networks shall endeavor to assure that hospital patients are able to return
7 to their area of origin, and that placements are not concentrated in
8 proximity to the hospitals.

9 (d) For each month subsequent to the month in which a state hospital
10 bed has been closed in accordance with (c) of this subsection, the mental
11 health program shall transfer to the medical assistance program state funds
12 equal to the state share of the monthly per capita expenditure amount
13 estimated for categorically needy-disabled persons in the most recent
14 forecast of medical assistance expenditures.

15 (e) The department shall report to the appropriate committees of the
16 legislature by November 1, 2001, and by November 1, 2002, on its plans for
17 and progress toward achieving the objectives set forth in (c) of this
18 subsection.

19 (3) CIVIL COMMITMENT

20	General Fund--State Appropriation (FY 2002) . . . \$	((20,037,000))
21		<u>18,267,000</u>
22	General Fund--State Appropriation (FY 2003) . . . \$	((22,441,000))
23		<u>19,120,000</u>
24	TOTAL APPROPRIATION \$	((42,478,000))
25		<u>37,387,000</u>

26 The appropriations in this subsection are subject to the following
27 conditions and limitations:

28 (a) ((~~\$2,062,000~~)) \$1,587,000 of the general fund--state appropriation
29 for fiscal year 2002 and ((~~\$3,698,000~~)) \$2,646,000 of the general fund--
30 state appropriation for fiscal year 2003 are provided solely for operational
31 costs associated with a less restrictive step-down placement facility on
32 McNeil Island.

33 (b) ((~~\$1,000,000~~)) \$300,000 of the general fund--state appropriation
34 for fiscal year 2002 and ((~~\$1,000,000~~)) \$300,000 of the general fund--state

1 appropriation for fiscal year 2003 are provided solely for mitigation
2 funding for jurisdictions affected by the placement of less restrictive
3 alternative facilities for persons conditionally released from the special
4 commitment center facility being constructed on McNeil Island. Of this
5 amount, up to \$45,000 per year is provided for the city of Lakewood for
6 police protection reimbursement at Western State Hospital and adjacent
7 areas, up to \$45,000 per year is provided for training police personnel on
8 chapter 12, Laws of 2001, 2nd sp. sess. (3ESSB 6151), up to \$125,000 per
9 year is provided for Pierce county for reimbursement of additional costs,
10 and the remaining amounts are for other documented costs by jurisdictions
11 directly impacted by the placement of the secure community transition
12 facility on McNeil Island. Pursuant to chapter 12, Laws of 2001, 2nd sp.
13 sess (3ESSB 6151), the department shall continue to work with local
14 jurisdictions towards reaching agreement for mitigation costs.

15 (c) By October 1, 2001, the department shall report to the office of
16 financial management and the fiscal committees of the house of
17 representatives and senate detailing information on plans for increasing the
18 efficiency of staffing patterns at the new civil commitment center facility
19 being constructed on McNeil Island.

20 (d) \$600,000 of the general fund--state appropriation for fiscal year
21 2003 is provided solely for the implementation of Substitute Senate Bill No.
22 6594 (secure community transition facilities). If the bill is not enacted
23 by June 30, 2002, the amount provided in this subsection shall lapse.

24 (4) SPECIAL PROJECTS

25	General Fund--State Appropriation (FY 2002) . . . \$	444,000
26	General Fund--State Appropriation (FY 2003) . . . \$	((443,000))
27		<u>57,000</u>
28	General Fund--Federal Appropriation \$	((2,082,000))
29		<u>1,802,000</u>
30	TOTAL APPROPRIATION \$	((2,969,000))
31		<u>2,303,000</u>

32 (5) PROGRAM SUPPORT

33	General Fund--State Appropriation (FY 2002) . . . \$	((3,104,000))
34		<u>2,979,000</u>

1	General Fund--State Appropriation (FY 2003) . . . \$	((3,231,000))
2		<u>2,986,000</u>
3	General Fund--Federal Appropriation \$	((5,796,000))
4		<u>5,371,000</u>
5	TOTAL APPROPRIATION \$	((12,131,000))
6		<u>11,336,000</u>

7 The appropriations in this subsection are subject to the following
8 conditions and limitations:

9 (a) \$113,000 of the general fund--state appropriation for fiscal year
10 2002, \$125,000 of the general fund--state appropriation for fiscal year
11 2003, and \$164,000 of the general fund--federal appropriation are provided
12 solely for the institute for public policy to evaluate the impacts of
13 chapter 214, Laws of 1999 (mentally ill offenders), chapter 217, Laws of
14 2000 (atypical anti-psychotic medications), chapter 297, Laws of 1998
15 (commitment of mentally ill persons), and chapter 334, Laws of 2001 (mental
16 health performance audit).

17 (b) \$168,000 of the general fund--state appropriation for fiscal year
18 2002, \$243,000 of the general fund--state appropriation for fiscal year
19 2003, and \$411,000 of the general fund--federal appropriation are provided
20 solely for the development and implementation of a uniform outcome-oriented
21 performance measurement system to be used in evaluating and managing the
22 community mental health service delivery system consistent with the
23 recommendations contained in the joint legislative audit and review
24 committee's audit of the public mental health system. Once implemented, the
25 use of performance measures will allow comparison of measurement results to
26 established standards and benchmarks among regional support networks,
27 service providers, and against other states. The department shall provide
28 a report to the appropriate committees of the legislature on the development
29 and implementation of the use of performance measures by October 2002.

30 (c) (~~(\$125,000 of the general fund--state appropriation for fiscal year~~
31 ~~2002, \$125,000 of the general fund--state appropriation for fiscal year~~
32 ~~2003, and \$250,000 of the general fund--federal appropriation are provided~~
33 ~~solely for a study of the prevalence of mental illness among the state's~~
34 ~~regional support networks. The study)~~) From funds appropriated in this

1 subsection, the department shall examine how reasonable estimates of the
2 prevalence of mental illness relate to the incidence of persons enrolled in
3 medical assistance programs in each regional support network area. In
4 conducting this study, the department shall consult with the joint
5 legislative audit and review committee, regional support networks, community
6 mental health providers, and mental health consumer representatives. The
7 department shall submit a final report on its findings to the fiscal, health
8 care, and human services committees of the legislature by November 1, 2003.

9 **Sec. 205.** 2001 2nd sp.s. c 7 s 205 (uncodified) is amended to read as
10 follows:

11 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--DEVELOPMENTAL DISABILITIES**
12 **PROGRAM**

13 (1) COMMUNITY SERVICES

14	General Fund--State Appropriation (FY 2002) . . . \$	((231,693,000))
15		<u>233,705,000</u>
16	General Fund--State Appropriation (FY 2003) . . . \$	((242,347,000))
17		<u>257,896,000</u>
18	General Fund--Federal Appropriation \$	((396,151,000))
19		<u>402,748,000</u>
20	Health Services Account--State	
21	Appropriation \$	((741,000))
22		<u>903,000</u>
23	TOTAL APPROPRIATION \$	((870,932,000))
24		<u>895,252,000</u>

25 The appropriations in this subsection are subject to the following
26 conditions and limitations:

27 (a) The legislature finds that comprehensive reform of the
28 developmental disabilities program is required. Recent audits and
29 litigation indicate a need to improve the quality of program data,
30 strengthen program and fiscal management, and clarify the criteria and
31 determination of eligibility for services. Additional resources are also
32 needed to expand access to community services. The appropriations in this
33 section are intended to address the most urgent needs while strengthening

1 program and fiscal accountability. The department shall provide monthly
2 progress reports to the appropriate committees of the legislature on actions
3 taken in three areas: The implementation of expanded services, the
4 development and implementation of a new home and community based medicaid
5 waiver, and improvements in program and fiscal management.

6 (b) \$13,705,000 of the fiscal year 2003 general fund--state
7 appropriation and \$2,096,000 of the general fund--federal appropriation are
8 provided solely for expanded access to community services. These amounts
9 are intended to provide family support for an additional 3,000 families,
10 expanded residential services for an additional 175 clients by the end of
11 the biennium, and an additional 267 clients transitioning from high school
12 to work. New funding for family support and high school transition along
13 with a portion of existing funding for these programs shall be provided as
14 supplemental security income (SSI) state supplemental payments. The
15 legislature finds that providing cash assistance to individuals and families
16 needing these supports promotes self-determination and independence. It is
17 the intent of the legislature that the department shall comply with federal
18 requirements to maintain aggregate funding for SSI state supplemental
19 payments while promoting self-determination and independence for persons
20 with developmental disabilities in families with low and moderate incomes.
21 This funding is also provided to increase the number of case workers
22 supporting clients receiving community services. These amounts and the
23 specified expansion of community services are intended to be the fiscal
24 component of the negotiated settlement in the pending litigation on
25 developmental disabilities services, ARC v. Quasim.

26 (c) The health services account appropriation and \$753,000 of the
27 general fund--federal appropriation are provided solely for health care
28 benefits for home care workers with family incomes below 200 percent of the
29 federal poverty level who are employed through state contracts for twenty
30 hours per week or more. Premium payments for individual provider home care
31 workers shall be made only to the subsidized basic health plan. Home care
32 agencies may obtain coverage either through the basic health plan or through
33 an alternative plan with substantially equivalent benefits.

34 ((b)) (d) \$902,000 of the general fund--state appropriation for
35 fiscal year 2002, \$3,372,000 of the general fund--state appropriation for

1 fiscal year 2003, and \$4,056,000 of the general fund--federal appropriation
2 are provided solely for community services for residents of residential
3 habilitation centers (RHCs) who are able to be adequately cared for in
4 community settings and who choose to live in those community settings. The
5 department shall ensure that the average cost per day for all program
6 services other than start-up costs shall not exceed \$280. If the number and
7 timing of residents choosing to move into community settings is not
8 sufficient to achieve the RHC cottage consolidation plan assumed in the
9 appropriations in subsection (2) of this section, the department shall
10 transfer sufficient appropriations from this subsection to subsection (2)
11 of this section to cover the added costs incurred in the RHCs. The
12 department shall report to the appropriate committees of the legislature,
13 within 45 days following each fiscal year quarter, the number of residents
14 moving into community settings and the actual expenditures for all community
15 services to support those residents.

16 ~~((c) \$1,440,000))~~ (e) \$1,153,000 of the general fund--state
17 appropriation for fiscal year 2002, ~~((\$3,041,000))~~ \$3,054,000 of the general
18 fund--state appropriation for fiscal year 2003, and ~~((\$4,311,000))~~
19 \$4,031,000 of the general fund--federal appropriation are provided solely
20 for expanded community services for persons with developmental disabilities
21 who also have community protection issues or are diverted or discharged from
22 state psychiatric hospitals. The department shall ensure that the average
23 cost per day for all program services other than start-up costs shall not
24 exceed \$275. The department shall report to the appropriate committees of
25 the legislature, within 45 days following each fiscal year quarter, the
26 number of persons served with these additional community services, where
27 they were residing, what kinds of services they were receiving prior to
28 placement, and the actual expenditures for all community services to support
29 these clients.

30 ~~((d) \$1,005,000 of the general fund--state appropriation for fiscal~~
31 ~~year 2002, \$2,262,000 of the general fund--state appropriation for fiscal~~
32 ~~year 2003, and \$2,588,000 of the general fund--federal appropriation are~~
33 ~~provided solely for increasing case/resource management resources to improve~~
34 ~~oversight and quality of care for persons enrolled in the medicaid home and~~
35 ~~community services waiver for persons with developmental disabilities.))~~ (f)

1 The department shall not increase total enrollment in home and community
2 based waivers for persons with developmental disabilities except for
3 ~~((increases))~~ changes assumed in additional funding provided in subsections
4 (b) ~~((and (c)))~~, (d), and (e) of this section. Prior to submitting to the
5 health care financing authority any additional home and community based
6 waiver request for persons with developmental disabilities, the department
7 shall submit a summary of the waiver request to the appropriate committees
8 of the legislature. The summary shall include eligibility criteria, program
9 description, enrollment projections and limits, and budget and cost
10 effectiveness projections that distinguish the requested waiver from other
11 existing or proposed waivers.

12 ~~((+e))~~ (g) \$1,000,000 of the general fund--state appropriation for
13 fiscal year 2002 and \$1,000,000 of the general fund--state appropriation for
14 fiscal year 2003 are provided solely for employment, or other day activities
15 and training programs, for young adults with developmental disabilities who
16 complete their high school curriculum in 2001 or 2002. These services are
17 intended to assist with the transition to work and more independent living.
18 Funding shall be used to the greatest extent possible for vocational
19 rehabilitation services matched with federal funding. In recent years, the
20 state general fund appropriation for employment and day programs has been
21 underspent. These surpluses, built into the carry forward level budget,
22 shall be redeployed for high school transition services.

23 ~~((+f))~~ (h) \$369,000 of the fiscal year 2002 general fund--state
24 appropriation and \$369,000 of the fiscal year 2003 general fund--state
25 appropriation are provided solely for continuation of the autism pilot
26 project started in 1999.

27 ~~((+g))~~ (i) \$4,049,000 of the general fund--state appropriation for
28 fiscal year 2002, \$1,734,000 of the general fund--state appropriation for
29 fiscal year 2003, and \$5,369,000 of the general fund--federal appropriation
30 are provided solely to increase compensation by an average of fifty cents
31 per hour for low-wage workers providing state-funded services to persons
32 with developmental disabilities. These funds, along with funding provided
33 for vendor rate increases, are sufficient to raise wages an average of fifty
34 cents and cover the employer share of unemployment and social security taxes
35 on the amount of the wage increase. In consultation with the statewide

1 associations representing such agencies, the department shall establish a
2 mechanism for testing the extent to which funds have been used for this
3 purpose, and report the results to the fiscal committees of the legislature
4 by February 1, 2002.

5 (2) INSTITUTIONAL SERVICES

6	General Fund--State Appropriation (FY 2002) . . \$	((71,977,000))
7		<u>69,375,000</u>
8	General Fund--State Appropriation (FY 2003) . . \$	((69,303,000))
9		<u>68,203,000</u>
10	General Fund--Federal Appropriation \$	((145,641,000))
11		<u>145,672,000</u>
12	General Fund--Private/Local Appropriation \$	((10,230,000))
13		<u>11,230,000</u>
14	TOTAL APPROPRIATION \$	((297,151,000))
15		<u>294,480,000</u>

16 The appropriations in this subsection are subject to the following
17 conditions and limitations: Pursuant to RCW 71A.12.160, if residential
18 habilitation center capacity is not being used for permanent residents, the
19 department ((~~may~~)) shall make residential habilitation center vacancies
20 available for respite care and any other services needed to care for clients
21 who are not currently being served in a residential habilitation center and
22 whose needs require staffing levels similar to current residential
23 habilitation center residents. Providing respite care shall not impede the
24 department's ability to consolidate cottages, and maintain expenditures
25 within allotments, as assumed in the appropriations in this subsection.

26 (3) PROGRAM SUPPORT

27	General Fund--State Appropriation (FY 2002) . . \$	((2,601,000))
28		<u>1,711,000</u>
29	General Fund--State Appropriation (FY 2003) . . \$	((2,623,000))
30		<u>2,237,000</u>
31	General Fund--Federal Appropriation \$	((2,413,000))
32		<u>2,742,000</u>
33	<u>Telecommunications Devices for the Hearing and</u>	

1 The appropriations in this section are subject to the following
2 conditions and limitations:

3 (1) The entire health services account appropriation, \$1,210,000 of the
4 general fund--state appropriation for fiscal year 2002, \$1,423,000 of the
5 general fund--state appropriation for fiscal year 2003, and \$6,794,000 of
6 the general fund--federal appropriation are provided solely for health care
7 benefits for home care workers who are employed through state contracts for
8 at least twenty hours per week. Premium payments for individual provider
9 home care workers shall be made only to the subsidized basic health plan,
10 and only for persons with incomes below 200 percent of the federal poverty
11 level. Home care agencies may obtain coverage either through the basic
12 health plan or through an alternative plan with substantially equivalent
13 benefits.

14 (2) \$1,706,000 of the general fund--state appropriation for fiscal year
15 2002 and \$1,706,000 of the general fund--state appropriation for fiscal year
16 2003, plus the associated vendor rate increase for each year, are provided
17 solely for operation of the volunteer chore services program.

18 (3) For purposes of implementing chapter 74.46 RCW, the weighted
19 average nursing facility payment rate shall be no more than \$128.79 for
20 fiscal year 2002, and no more than (~~(\$134.45)~~) \$132.58 for fiscal year 2003.
21 For all facilities, the therapy care, support services, and operations
22 component rates established in accordance with chapter 74.46 RCW shall be
23 adjusted for economic trends and conditions by 2.1 percent effective July
24 1, 2001, and by an additional (~~(2.3)~~) 1.5 percent effective July 1, 2002.
25 For case-mix facilities, direct care component rates established in
26 accordance with chapter 74.46 RCW shall also be adjusted for economic trends
27 and conditions by 2.1 percent effective July 1, 2001, and by an additional
28 2.3 percent effective July 1, 2002. Additionally, to facilitate the
29 transition to a fully case-mix based direct care payment system, the median
30 price per case-mix unit for each of the applicable direct care peer groups
31 shall be increased on a one-time basis by 2.64 percent effective July 1,
32 2002.

33 (4) In accordance with Substitute House Bill No. 2242 (nursing home
34 rates), the department shall issue certificates of capital authorization

1 which result in up to \$10 million of increased asset value completed and
2 ready for occupancy in fiscal year 2003; in up to \$27 million of increased
3 asset value completed and ready for occupancy in fiscal year 2004; and in
4 up to \$27 million of increased asset value completed and ready for occupancy
5 in fiscal year 2005.

6 (5) Adult day health services shall not be considered a duplication of
7 services for persons receiving care in long-term care settings licensed
8 under chapter 18.20, 72.36, or 70.128 RCW.

9 (6) Within funds appropriated in this section and in section 204 of
10 this act, the aging and adult services program shall coordinate with and
11 actively support the efforts of the mental health program and of the
12 regional support networks to provide stable community living arrangements
13 for persons with dementia and traumatic brain injuries who have been long-
14 term residents of the state psychiatric hospitals. The aging and adult
15 services program shall report to the health care and fiscal committees of
16 the legislature by November 1, 2001, and by November 1, 2002, on the actions
17 it has taken to achieve this objective.

18 (7) Within funds appropriated in this section and in section 204 of
19 this act, the aging and adult services program shall devise and implement
20 strategies in partnership with the mental health program and the regional
21 support networks to reduce the use of state and local psychiatric hospitals
22 for the short-term stabilization of persons with dementia and traumatic
23 brain injuries. Such strategies may include training and technical
24 assistance to help long-term care providers avoid and manage behaviors which
25 might otherwise result in psychiatric hospitalizations; monitoring long-term
26 care facilities to assure residents are receiving appropriate mental health
27 care and are not being inappropriately medicated or hospitalized; the
28 development of diversion beds and stabilization support teams; and the
29 establishment of systems to track the use of psychiatric hospitals by long-
30 term care providers. The aging and adult services program shall report to
31 the health care and fiscal committees of the legislature by November 1,
32 2001, and by November 1, 2002, on the actions it has taken to achieve this
33 objective.

34 (8) In accordance with Substitute House Bill No. 1341, the department
35 may implement ~~((two))~~ a medicaid waiver program~~((s))~~ for persons who do not

1 qualify for such services as categorically needy, subject to federal
2 approval and the following conditions and limitations:

3 (a) ~~((One)) The~~ waiver program shall include coverage of ~~((home-based~~
4 ~~services, and the second shall include coverage of))~~ care in community
5 residential facilities. ~~((Enrollment in the waiver covering home-based~~
6 ~~services shall not exceed 150 persons by the end of fiscal year 2002, nor~~
7 ~~200 persons by the end of fiscal year 2003.))~~ Enrollment in the waiver
8 ~~((covering community residential services))~~ shall not exceed ~~((500))~~ 50
9 persons by the end of fiscal year 2002, nor ~~((900))~~ 600 persons by the end
10 of fiscal year 2003.

11 (b) For each month of waiver service delivered to a person who was not
12 covered by medicaid prior to their enrollment in the waiver, the aging and
13 adult services program shall transfer to the medical assistance program
14 state and federal funds equal to the monthly per capita expenditure amount,
15 net of drug rebates, estimated for medically needy-aged persons in the most
16 recent forecast of medical assistance expenditures.

17 (c) The department shall identify the number of medically needy nursing
18 home residents, and enrollment and expenditures on ~~((each of))~~ the ~~((two))~~
19 medically needy waiver~~((s))~~, on monthly management reports.

20 (d) The department shall track and report to health care and fiscal
21 committees of the legislature by November 15, 2002, on the types of long-
22 term care support a sample of waiver participants were receiving prior to
23 their enrollment in the waiver, how those services were being paid for, and
24 an assessment of their adequacy.

25 (9) \$50,000 of the general fund--state appropriation for fiscal year
26 2002 and \$50,000 of the general fund--state appropriation for fiscal year
27 2003 are provided solely for payments to any nursing facility licensed under
28 chapter 18.51 RCW which meets all of the following criteria: (a) The
29 nursing home entered into an arm's length agreement for a facility lease
30 prior to January 1, 1980; (b) the lessee purchased the leased nursing home
31 after January 1, 1980; and (c) the lessor defaulted on its loan or mortgage
32 for the assets of the home after January 1, 1991, and prior to January 1,
33 1992. Payments provided pursuant to this subsection shall not be subject
34 to the settlement, audit, or rate-setting requirements contained in chapter
35 74.46 RCW.

1 (10) \$364,000 of the general fund--state appropriation for fiscal year
2 2002, \$364,000 of the general fund--state appropriation for fiscal year
3 2003, and \$740,000 of the general fund--federal appropriation are provided
4 solely for payment of exceptional care rates so that persons with
5 Alzheimer's disease and related dementias who might otherwise require
6 nursing home or state hospital care can instead be served in boarding home-
7 licensed facilities which specialize in the care of such conditions.

8 (11) From funds appropriated in this section, the department shall
9 increase compensation for individual and for agency home care providers.
10 Payments to individual home care providers are to be increased from \$7.18
11 per hour to \$7.68 per hour on July 1, 2001. Payments to agency providers
12 are to be increased to \$13.30 per hour on July 1, 2001, and to \$13.44 per
13 hour on July 1, 2002. All but 18 cents per hour of the July 1, 2001,
14 increase to agency providers is to be used to increase wages for direct care
15 workers. The appropriations in this section also include the funds needed
16 for the employer share of unemployment and social security taxes on the
17 amount of the wage increase required by this subsection.

18 (12) \$2,507,000 of the general fund--state appropriation for fiscal
19 year 2002, \$2,595,000 of the general fund--state appropriation for fiscal
20 year 2003, and \$5,100,000 of the general fund--federal appropriation are
21 provided solely for prospective rate increases intended to increase
22 compensation by an average of fifty cents per hour for low-wage workers in
23 agencies which contract with the state to provide community residential
24 services for persons with functional disabilities. In consultation with the
25 statewide associations representing such agencies, the department shall
26 establish a mechanism for testing the extent to which funds have been used
27 for this purpose, and report the results to the fiscal committees of the
28 legislature by February 1, 2002. The amounts in this subsection also
29 include the funds needed for the employer share of unemployment and social
30 security taxes on the amount of the wage increase.

31 (13) \$1,082,000 of the general fund--state appropriation for fiscal
32 year 2002, \$1,082,000 of the general fund--state appropriation for fiscal
33 year 2003, and \$2,204,000 of the general fund--federal appropriation are
34 provided solely for prospective rate increases intended to increase
35 compensation for low-wage workers in nursing homes which contract with the

1 state. For fiscal year 2002, the department shall add forty-five cents per
2 patient day to the direct care rate which would otherwise be paid to each
3 nursing facility in accordance with chapter 74.46 RCW. For fiscal year
4 2003, the department shall increase the median price per case-mix unit for
5 each of the applicable peer groups by six-tenths of one percent in order to
6 distribute the available funds. In consultation with the statewide
7 associations representing nursing facilities, the department shall establish
8 a mechanism for testing the extent to which funds have been used for this
9 purpose, and report the results to the fiscal committees of the legislature
10 by February 1, 2002.

11 **Sec. 207.** 2001 2nd sp.s. c 7 s 207 (uncodified) is amended to read as
12 follows:

13 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--ECONOMIC SERVICES PROGRAM**

14	General Fund--State Appropriation (FY 2002) . . . \$	((436,440,000))
15		<u>442,984,000</u>
16	General Fund--State Appropriation (FY 2003) . . . \$	((424,870,000))
17		<u>394,911,000</u>
18	General Fund--Federal Appropriation \$	((1,356,351,000))
19		<u>1,359,505,000</u>
20	General Fund--Private/Local Appropriation \$	((31,788,000))
21		<u>33,880,000</u>
22	TOTAL APPROPRIATION \$	((2,249,449,000))
23		<u>2,231,280,000</u>

24 The appropriations in this section are subject to the following
25 conditions and limitations:

26 (1) ((~~\$282,081,000~~)) \$281,035,000 of the general fund--state
27 appropriation for fiscal year 2002, ((~~\$278,277,000~~)) \$277,231,000 of the
28 general fund--state appropriation for fiscal year 2003, \$1,254,197,000 of
29 the general fund--federal appropriation, and ((~~\$29,352,000~~)) \$31,444,000 of
30 the general fund--local appropriation are provided solely for the WorkFirst
31 program and child support operations. WorkFirst expenditures include TANF
32 grants, diversion services, subsidized child care, employment and training,
33 other WorkFirst related services, allocated field services operating costs,

1 and allocated economic services program administrative costs. Within the
2 amounts provided in this subsection, the department shall:

3 (a) Continue to implement WorkFirst program improvements that are
4 designed to achieve progress against outcome measures specified in RCW
5 74.08A.410. Valid outcome measures of job retention and wage progression
6 shall be developed and reported quarterly to appropriate fiscal and policy
7 committees of the legislature for families who leave assistance, measured
8 after 12 months, 24 months, and 36 months. An increased attention to job
9 retention and wage progression is necessary to emphasize the legislature's
10 goal that the WorkFirst program succeed in helping recipients gain long-term
11 economic independence and not cycle on and off public assistance. The wage
12 progression measure shall report the median percentage increase in quarterly
13 earnings and hourly wage after 12 months, 24 months, and 36 months. The
14 wage progression report shall also report the percent with earnings above
15 one hundred percent and two hundred percent of the federal poverty level.
16 The report shall compare former WorkFirst participants with similar workers
17 who did not participate in WorkFirst. The department shall also report the
18 percentage of families who have returned to temporary assistance for needy
19 families after 12 months, 24 months, and 36 months.

20 (b) Develop informational materials that educate families about the
21 difference between cash assistance and work support benefits. These
22 materials must explain, among other facts, that the benefits are designed
23 to support their employment, that there are no time limits on the receipt
24 of work support benefits, and that immigration or residency status will not
25 be affected by the receipt of benefits. These materials shall be posted in
26 all community service offices and distributed to families. Materials must
27 be available in multiple languages. When a family leaves the temporary
28 assistance for needy families program, receives cash diversion assistance,
29 or withdraws a temporary assistance for needy families application, the
30 department of social and health services shall educate them about the
31 difference between cash assistance and work support benefits and offer them
32 the opportunity to begin or to continue receiving work support benefits, so
33 long as they are eligible. The department shall provide this information
34 through in-person interviews, over the telephone, and/or through the mail.
35 Work support benefits include food stamps, medicaid for all family members,

1 medicaid or state children's health insurance program for children, and
2 child care assistance. The department shall report annually to the
3 legislature the number of families who have had exit interviews, been
4 reached successfully by phone, and been sent mail. The report shall also
5 include the percentage of families who elect to continue each of the
6 benefits and the percentage found ineligible by each substantive reason
7 code. A substantive reason code shall not be "other." The report shall
8 identify barriers to informing families about work support benefits and
9 describe existing and future actions to overcome such barriers.

10 (c) From the amounts provided in this subsection, provide \$50,000 from
11 the general fund--state appropriation for fiscal year 2002 and \$50,000 from
12 the general fund--state appropriation for fiscal year 2003 to the Washington
13 institute for public policy for continuation of the WorkFirst evaluation
14 database.

15 (d) Submit a report by December 1, 2001, to the fiscal committees of
16 the legislature containing a spending plan for the WorkFirst program. The
17 plan shall identify how spending levels in the 2001-2003 biennium will be
18 adjusted by June 30, 2003, to be sustainable within available federal grant
19 levels and the carryforward level of state funds.

20 (e) Reduce funding contracted to the department of employment security
21 in order to maintain funding for drug and alcohol treatment services
22 designed to help TANF parents enter the job market and keep their jobs.

23 (2) ((~~\$48,341,000~~)) \$54,623,000 of the general fund--state
24 appropriation for fiscal year 2002 and ((~~\$48,341,000~~)) \$51,268,000 of the
25 general fund--state appropriation for fiscal year 2003 are provided solely
26 for cash assistance and other services to recipients in the general
27 assistance--unemployable program. Within these amounts, the department may
28 expend funds for services that assist recipients to reduce their dependence
29 on public assistance, provided that expenditures for these services and cash
30 assistance do not exceed the funds provided.

31 (3) \$5,632,000 of the general fund--state appropriation for fiscal year
32 2002 and ((~~\$5,632,000~~)) \$1,132,000 of the general fund--state appropriation
33 for fiscal year 2003 are provided solely for the food assistance program for
34 legal immigrants. The level of benefits shall be equivalent to the benefits
35 provided by the federal food stamp program.

(4) \$48,000 of the general fund--state appropriation for fiscal year 2002 is provided solely to implement chapter 111, Laws of 2001 (veterans/Philippines).

(5) The department shall apply the provisions of RCW 74.04.005(10) to simplify resource eligibility policy, make such policy consistent with other federal public assistance programs, and achieve the budgetary savings assumed in this section.

Sec. 208. 2001 2nd sp.s. c 7 s 208 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--ALCOHOL AND SUBSTANCE ABUSE PROGRAM

General Fund--State Appropriation (FY 2002) . . . \$	((38,047,000))
	<u>35,851,000</u>
General Fund--State Appropriation (FY 2003) . . . \$	((38,938,000))
	<u>37,622,000</u>
General Fund--Federal Appropriation \$	((91,695,000))
	<u>91,563,000</u>
General Fund--Private/Local Appropriation \$	723,000
Public Safety and Education Account--State	
Appropriation \$	((13,733,000))
	<u>13,321,000</u>
Violence Reduction and Drug Enforcement Account--	
State Appropriation \$	((52,510,000))
	<u>51,764,000</u>
TOTAL APPROPRIATION \$	((235,646,000))
	<u>230,844,000</u>

The appropriations in this section are subject to the following conditions and limitations:

(1) ((~~\$1,610,000~~)) \$810,000 of the general fund--state appropriation for fiscal year 2002 and \$1,622,000 of the general fund--state appropriation for fiscal year 2003 are provided solely for expansion of 35 drug and alcohol treatment beds for persons committed under RCW 70.96A.140. Patients meeting the commitment criteria of RCW 70.96A.140 but who voluntarily agree

1 to treatment in lieu of commitment shall also be eligible for treatment in
2 these additional treatment beds. The department shall develop specific
3 placement criteria for these expanded treatment beds to ensure that this new
4 treatment capacity is prioritized for persons incapacitated as a result of
5 chemical dependency and who are also high utilizers of hospital services.
6 These additional treatment beds shall be located in the eastern part of the
7 state.

8 (2) (~~(\$2,800,000)~~) \$1,400,000 of the public safety and education
9 account--state appropriation is provided solely for expansion of treatment
10 for persons gravely disabled by abuse and addiction to alcohol and other
11 drugs including methamphetamine.

12 (3) \$1,083,000 of the public safety and education account--state
13 appropriation is provided solely for adult and juvenile drug courts that
14 have a net loss of federal grant funding in state fiscal year 2002 and state
15 fiscal year 2003. This appropriation is intended to cover approximately
16 one-half of lost federal funding. It is the intent of the legislature to
17 provide state assistance to counties to cover a part of lost federal funding
18 for drug courts for a maximum of three years.

19 (4) \$1,993,000 of the public safety and education account--state
20 appropriation and \$951,000 of the general fund--federal appropriation are
21 provided solely for drug and alcohol treatment for SSI clients. The
22 department shall continue research and post-program evaluation of these
23 clients to further determine the post-treatment utilization of medical
24 services and the service effectiveness of consolidation.

25 (5) \$500,000 of the violence reduction and drug enforcement account
26 appropriation for fiscal year 2003 is provided solely for the department to
27 provide treatment for pathological gambling or training for the treatment
28 of pathological gambling under Second Substitute Senate Bill No. 6560
29 (shared game lottery). If the bill is not enacted by June 30, 2002, the
30 amount provided in this subsection shall lapse.

31 **Sec. 209.** 2001 2nd sp.s. c 7 s 209 (uncodified) is amended to read as
32 follows:

33 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--MEDICAL ASSISTANCE PROGRAM**

34 General Fund--State Appropriation (FY 2002) . . \$((~~1,028,885,000~~))

1		<u>1,072,650,000</u>
2	General Fund--State Appropriation (FY 2003)	\$((1,130,904,000))
3		<u>1,132,694,000</u>
4	General Fund--Federal Appropriation	\$((3,637,511,000))
5		<u>3,619,014,000</u>
6	General Fund--Private/Local Appropriation \$	((276,147,000))
7		<u>211,272,000</u>
8	Emergency Medical Services and Trauma Care Systems	
9	Trust Account--State Appropriation	\$ 9,200,000
10	Health Services Account--State Appropriation	\$((1,043,310,000))
11		<u>1,108,727,000</u>
12	TOTAL APPROPRIATION	\$((7,125,957,000))
13		<u>7,153,557,000</u>

14 The appropriations in this section are subject to the following
15 conditions and limitations:

16 (1) The department shall increase its efforts to restrain the growth of
17 health care costs. The appropriations in this section anticipate that the
18 department implements a combination of cost containment and utilization
19 strategies sufficient to reduce general fund--state costs by approximately
20 3 percent below the level projected for the 2001-03 biennium in the March
21 2001 forecast. The department shall report to the fiscal committees of the
22 legislature by October 1, 2001, on its specific plans and semiannual targets
23 for accomplishing these savings. The department shall report again to the
24 fiscal committees by March 1, 2002, and by September 1, 2002, on actual
25 performance relative to the semiannual targets. If satisfactory progress
26 is not being made to achieve the targeted savings, the reports shall include
27 recommendations for additional or alternative measures to control costs

28 (2) The department shall continue to extend medicaid eligibility to
29 children through age 18 residing in households with incomes below 200
30 percent of the federal poverty level.

31 (3) In determining financial eligibility for medicaid-funded services,
32 the department is authorized to disregard recoveries by Holocaust survivors
33 of insurance proceeds or other assets, as defined in RCW 48.104.030.

1 (4) \$502,000 of the health services account appropriation, \$400,000 of
2 the general fund--private/local appropriation, and \$1,676,000 of the general
3 fund--federal appropriation are provided solely for implementation of Second
4 Substitute House Bill No. 1058 (breast and cervical cancer treatment). If
5 the bill is not enacted by June 30, 2001, or if private funding is not
6 contributed equivalent to the general fund--private/local appropriation, the
7 funds appropriated in this subsection shall lapse.

8 (5) \$620,000 of the health services account appropriation for fiscal
9 year 2002, \$1,380,000 of the health services account appropriation for
10 fiscal year 2003, and \$2,000,000 of the general fund--federal appropriation
11 are provided solely for implementation of a "ticket to work" medicaid buy-in
12 program for working persons with disabilities, operated in accordance with
13 the following conditions:

14 (a) To be eligible, a working person with a disability must have total
15 income which is less than 450 percent of poverty;

16 (b) Participants shall participate in the cost of the program by paying
17 (i) a monthly enrollment fee equal to fifty percent of any unearned income
18 in excess of the medicaid medically needy standard; and (ii) a monthly
19 premium equal to 5 percent of all unearned income, plus 5 percent of all
20 earned income after disregarding the first sixty-five dollars of monthly
21 earnings, and half the remainder;

22 (c) The department shall establish more restrictive eligibility
23 standards than specified in this subsection to the extent necessary to
24 operate the program within appropriated funds;

25 (d) The department may require point-of-service copayments as
26 appropriate, except that copayments shall not be so high as to discourage
27 appropriate service utilization, particularly of prescription drugs needed
28 for the treatment of psychiatric conditions; and

29 (e) The department shall establish systems for tracking and reporting
30 enrollment and expenditures in this program, and the prior medical
31 assistance eligibility status of new program enrollees. The department
32 shall additionally survey the prior and current employment status and
33 approximate hours worked of program enrollees, and report the results to the
34 fiscal and health care committees of the legislature by January 15, 200

1 (6) From funds appropriated in this section, the department shall
2 design, implement, and evaluate pilot projects to assist individuals with
3 at least three different diseases to improve their health, while reducing
4 total medical expenditures. The projects shall involve (a) identifying
5 persons who are seriously or chronically ill due to a combination of
6 medical, social, and functional problems; and (b) working with the
7 individuals and their care providers to improve adherence to state-of-the-
8 art treatment regimens. The department shall report to the health care and
9 the fiscal committees of the legislature by January 1, 2002, on the
10 particular disease states, intervention protocols, and delivery mechanisms
11 it proposes to test.

12 (7) Sufficient funds are appropriated in this section for the
13 department to continue full-scope dental coverage, vision coverage, and
14 podiatry services for medicaid-eligible adults.

15 (8) The legislature reaffirms that it is in the state's interest for
16 Harborview medical center to remain an economically viable component of the
17 state's health care system.

18 (9) \$80,000 of the general fund--state appropriation for fiscal year
19 2002, \$80,000 of the general fund--state appropriation for fiscal year 2003,
20 and \$160,000 of the general fund--federal appropriation are provided solely
21 for the newborn referral program to provide access and outreach to reduce
22 infant mortality.

23 (10) \$30,000 of the general fund--state appropriation for fiscal year
24 2002, \$31,000 of the general fund--state appropriation for fiscal year 2003,
25 and \$62,000 of the general fund--federal appropriation are provided solely
26 for implementation of Substitute Senate Bill No. 6020 (dental sealants).
27 If Substitute Senate Bill No. 6020 is not enacted by June 30, 2001, the
28 amounts provided in this subsection shall lapse.

29 (11) In accordance with RCW 74.46.625, (~~(\$376,318,000)~~) \$528,171,000 of
30 the health services account appropriation (~~(for fiscal year 2002,~~
31 ~~\$144,896,000 of the health services account appropriation for fiscal year~~
32 ~~2003, and \$542,089,000)~~) and \$526,014,000 of the general fund--federal
33 appropriation are provided solely for supplemental payments to nursing homes
34 operated by rural public hospital districts. The payments shall be
35 conditioned upon (a) a contractual commitment by the association of public

1 hospital districts and participating rural public hospital districts to make
2 an intergovernmental transfer to the state treasurer, for deposit into the
3 health services account, equal to at least 98 percent of the supplemental
4 payments; and (b) a contractual commitment by the participating districts
5 to not allow expenditures covered by the supplemental payments to be used
6 for medicaid nursing home rate-setting. The participating districts shall
7 retain no more than a total of \$20,000,000 for the 2001-03 biennium.

8 (12) (~~(\$38,690,000)~~) \$39,121,000 of the health services account
9 appropriation for fiscal year 2002, (~~(\$40,189,000)~~) \$40,337,000 of the
10 health services account appropriation for fiscal year 2003, and
11 (~~(\$80,241,000)~~) \$79,628,000 of the general fund--federal appropriation are
12 provided solely for additional disproportionate share and medicare upper
13 payment limit payments to public hospital districts.

14 (~~((a))~~) The payments shall be conditioned upon a contractual commitment
15 by the participating public hospital districts to make an intergovernmental
16 transfer to the health services account equal to at least 91 percent of the
17 additional payments. At least 28 percent of the amounts retained by the
18 participating hospital districts shall be allocated to the state's teaching
19 hospitals.

20 (~~((b)) An additional 4.5 percent of the additional payments may be~~
21 ~~retained by the participating public hospital districts contingent upon the~~
22 ~~receipt of \$446,500,000 in newly identified proshare reimbursement from the~~
23 ~~federal government over the 2001-03 biennium. If the actual amount received~~
24 ~~is less than \$446,500,000, the amount retained pursuant to this subsection~~
25 ~~(12)(b) shall be prorated accordingly. The state teaching hospitals shall~~
26 ~~receive a distribution of the amount retained by the participating hospital~~
27 ~~districts in this subsection (12)(b) as allocated in (a) of this~~
28 ~~subsection.))~~)

29 (13) \$412,000 of the general fund--state appropriation for fiscal year
30 2002, \$862,000 of the general fund--state appropriation for fiscal year
31 2003, and \$730,000 of the general fund--federal appropriation are provided
32 solely for implementation of Substitute House Bill No. 1162 (small rural
33 hospitals). If Substitute House Bill No. 1162 is not enacted by June 30,
34 2001, the amounts provided in this subsection shall lapse.

(14) The department may continue to use any federal money available to continue to provide medicaid matching funds for funds contributed by local governments for purposes of conducting eligibility outreach to children and underserved groups. The department shall ensure cooperation with the anticipated audit of the school districts' matchable expenditures for this program and advise the appropriate legislative fiscal committees of the findings.

(15) The department shall coordinate with the health care authority to actively assist children and immigrant adults not eligible for medicaid to enroll in the basic health plan.

Sec. 210. 2001 2nd sp.s. c 7 s 210 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--VOCATIONAL REHABILITATION PROGRAM

General Fund--State Appropriation (FY 2002) . . \$	((11,309,000))
	<u>11,135,000</u>
General Fund--State Appropriation (FY 2003) . . \$	((9,780,000))
	<u>9,385,000</u>
General Fund--Federal Appropriation \$	((83,738,000))
	<u>82,235,000</u>
General Fund--Private/Local Appropriation \$	360,000
TOTAL APPROPRIATION \$	((105,187,000))
	<u>103,115,000</u>

The appropriations in this section are subject to the following conditions and limitations:

(1) The division of vocational rehabilitation shall negotiate cooperative interagency agreements with state and local organizations to improve and expand employment opportunities for people with severe disabilities.

(2) The department shall actively assist participants in the employment support services program to obtain other employment or training opportunities over the course of fiscal year 2003.

Sec. 211. 2001 2nd sp.s. c 7 s 211 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--ADMINISTRATION AND SUPPORTING SERVICES PROGRAM

General Fund--State Appropriation (FY 2002) . . \$	((30,444,000))
	<u>30,419,000</u>
General Fund--State Appropriation (FY 2003) . . \$	((29,369,000))
	<u>22,419,000</u>
General Fund--Federal Appropriation \$	((50,562,000))
	<u>47,135,000</u>
General Fund--Private/Local Appropriation \$	810,000
TOTAL APPROPRIATION \$	((111,185,000))
	<u>100,783,000</u>

The appropriations in this section are subject to the following conditions and limitations:

(1) By November 1, 2001, the secretary shall report to the fiscal committees of the legislature on the actions the secretary has taken, or proposes to take, within current funding levels to resolve the organizational problems identified in the department's February 2001 report to the legislature on current systems for billing third-party payers for services delivered by the state psychiatric hospitals. The secretary is authorized to transfer funds from this section to the mental health program to the extent necessary to achieve the organizational improvements recommended in that report.

(2) By November 1, 2001, the department shall report to the fiscal committees of the legislature with the least costly plan for assuring that billing and accounting technologies in the state psychiatric hospitals adequately and efficiently comply with standards set by third-party payers. The plan shall be developed with participation by and oversight from the office of financial management, the department's information systems services division, and the department of information services.

(3) The department shall reconstitute the payment integrity program to place greater emphasis upon the prevention of future billing errors, ensure billing and administrative errors are treated in a manner distinct from

allegations of fraud and abuse, and shall rename the program. In keeping with this revised focus, the department shall also increase to one thousand dollars the cumulative total of apparent billing errors allowed before a provider is contacted for repayment.

(4) By September 1, 2001, the department shall report to the fiscal committees of the legislature results from the payment review program. The report shall include actual costs recovered and estimated costs avoided for fiscal year 2001 and the costs incurred by the department to administer the program. The report shall document criteria and methodology used for determining avoided costs. In addition, the department shall seek input from health care providers and consumer organizations on modifications to the program. The department shall provide annual updates to the report to the fiscal committees of the legislature by September 1st of each year for the preceding fiscal year.

(5) The department shall implement reductions in administrative expenditures assumed in these appropriations that achieve ongoing savings, reduce duplicative and redundant work processes, and, where possible, eliminate entire administrative functions and offices. The department may transfer amounts among sections and programs to achieve these savings provided that reductions in direct services to clients and recipients of the department shall not be counted as administrative reductions. The department shall report to the appropriate committees of the legislature a spending plan to achieve these reductions by July 1, 2002, and shall report actual achieved administrative savings and projected saving for the remainder of the biennium by December 1, 2002.

Sec. 212. 2001 2nd sp.s. c 7 s 213 (uncodified) is amended to read as follows:

FOR THE STATE HEALTH CARE AUTHORITY

General Fund--State Appropriation (FY 2002) . . . \$	6,655,000
General Fund--State Appropriation (FY 2003) . . . \$	((6,654,000))
	<u>9,654,000</u>
State Health Care Authority Administrative	
Account--State Appropriation \$	((20,091,000))
	<u>20,032,000</u>

1 July 1, 2002, and a final report shall be provided to the legislature by
2 November 15, 2002, on the study findings.

3 (5) The administrator shall take at least the following actions to
4 assure that persons participating in the basic health plan are eligible for
5 the level of assistance they receive: (a) Require submission of income tax
6 returns and recent pay history from all applicants; (b) check employment
7 security payroll records at least once every twelve months on all enrollees;
8 (c) require enrollees whose income as indicated by payroll records exceeds
9 that upon which their subsidy is based to document their current income as
10 a condition of continued eligibility; (d) require enrollees for whom
11 employment security payroll records cannot be obtained to document their
12 current income at least once every six months; and (e) pursue repayment and
13 civil penalties from persons who have received excessive subsidies, as
14 provided in RCW 70.47.060(9).

15 (6) \$20,000,000 of the health services account appropriation is
16 provided solely for enrollment in the subsidized basic health plan of
17 persons who, solely by reason of their immigration status, are not eligible
18 for medicaid coverage of their nonemergent medical care needs.

19 (7) \$3,000,000 of the general fund--state appropriation for fiscal year
20 2003 is provided solely to increase the number of persons not eligible for
21 medicaid receiving dental care from nonprofit community clinics.

22 (8) The health care authority shall report to the fiscal committees of
23 the legislature on the costs, benefits, and feasibility of implementing a
24 system no later than January 1, 2004, under which the state's contribution
25 to the cost of employee medical coverage would be graduated according to
26 employee salary. Under the graduated system, employees in higher salary
27 ranges would pay a larger share of the cost of their medical coverage, while
28 those paid lower salaries would pay a smaller percentage of their premium.
29 The report shall be prepared in consultation with the department of
30 personnel and the state-supported colleges and universities, and shall be
31 submitted to the fiscal committees no later than December 1, 2002.

32 (9) In consultation with the department of personnel and with the
33 state-supported colleges and universities, the health care authority shall
34 report to the fiscal committees of the legislature by October 1, 2002, a
35 plan for expanding the availability and use of flexible spending account

plans under which employees may set aside pretax earnings to cover their out-of-pocket medical costs. The authority is authorized to proceed with implementation of such a plan to the extent it can be accomplished within existing state funding levels.

(10) \$685,000 of the health services account appropriation, \$629,000 of the general fund--federal appropriation, and the medical aid account appropriation are provided solely for implementation of Substitute Senate Bill No. 6368 (prescription drug utilization and education). If the bill is not enacted by June 30, 2002, these amounts shall lapse.

Sec. 213. 2001 2nd sp.s. c 7 s 214 (uncodified) is amended to read as follows:

FOR THE HUMAN RIGHTS COMMISSION

General Fund--State Appropriation (FY 2002) . . . \$	2,688,000
General Fund--State Appropriation (FY 2003) . . . \$	((2,700,000))
	<u>2,619,000</u>
General Fund--Federal Appropriation \$	1,544,000
General Fund--Private/Local Appropriation \$	100,000
TOTAL APPROPRIATION \$	((7,032,000))
	<u>6,951,000</u>

Sec. 214. 2001 2nd sp.s. c 7 s 215 (uncodified) is amended to read as follows:

FOR THE BOARD OF INDUSTRIAL INSURANCE APPEALS

Worker and Community Right-to-Know Account--State Appropriation \$	20,000
Accident Account--State Appropriation . . . \$	((14,692,000))
	<u>14,785,000</u>
Medical Aid Account--State Appropriation . . . \$	((14,694,000))
	<u>14,788,000</u>
TOTAL APPROPRIATION \$	((29,406,000))
	<u>29,593,000</u>

Sec. 215. 2001 2nd sp.s. c 7 s 216 (uncodified) is amended to read as follows:

1 **FOR THE CRIMINAL JUSTICE TRAINING COMMISSION**

2 Municipal Criminal Justice Assistance Account--

3 Local Appropriation \$ 460,000

4 Death Investigations Account--State

5 Appropriation \$ 148,000

6 Public Safety and Education Account--State

7 Appropriation \$ ((~~18,439,000~~))

8 18,005,000

9 TOTAL APPROPRIATION \$ ((~~19,047,000~~))

10 18,613,000

11 The appropriations in this section are subject to the following
12 conditions and limitations:

13 (1) \$124,000 of the public safety and education account appropriation
14 is provided solely to allow the Washington association of sheriffs and
15 police chiefs to increase the technical and training support provided to the
16 local criminal justice agencies on the new incident-based reporting system
17 and the national incident-based reporting system.

18 (2) \$136,000 of the public safety and education account appropriation
19 is provided solely to allow the Washington association of prosecuting
20 attorneys to enhance the training provided to criminal justice personnel

21 (3) ((~~\$22,000~~)) \$19,000 of the public safety and education account
22 appropriation is provided solely to increase payment rates for the criminal
23 justice training commission's contracted food service provider.

24 (4) ((~~\$31,000~~)) \$27,000 of the public safety and education account
25 appropriation is provided solely to increase payment rates for the criminal
26 justice training commission's contract with the Washington association of
27 sheriffs and police chiefs.

28 (5) \$65,000 of the public safety and education account appropriation is
29 provided solely for regionalized training programs for school district and
30 local law enforcement officials on school safety issues.

31 (6) ((~~\$233,000 of the public safety and education account appropriation~~
32 ~~is provided solely for training and equipping local law enforcement officers~~
33 ~~to respond to methamphetamine crime.~~

1 ~~—— (7) \$374,000 of the public safety and education account appropriation~~
2 ~~is provided solely for the implementation of House Bill No. 1062~~
3 ~~(certification of peace officers). If the bill is not enacted by June 30,~~
4 ~~2001, the amounts provided in this subsection shall lapse.~~

5 ~~—— (8))~~ \$450,000 of the public safety and education account appropriation
6 is provided solely for grants to be distributed by the Washington
7 association of sheriffs and police chiefs for electronic mapping of school
8 facilities.

9 **Sec. 216.** 2001 2nd sp.s. c 7 s 217 (uncodified) is amended to read as
10 follows:

11 **FOR THE DEPARTMENT OF LABOR AND INDUSTRIES**

12	General Fund--State Appropriation (FY 2002) . . . \$	((7,738,000))
13		<u>5,577,000</u>
14	General Fund--State Appropriation (FY 2003) . . . \$	((7,682,000))
15		<u>5,517,000</u>
16	General Fund--Federal Appropriation \$	1,250,000
17	Public Safety and Education Account--State	
18	Appropriation \$	((19,862,000))
19		<u>19,311,000</u>
20	Public Safety and Education Account--Federal	
21	Appropriation \$	((6,950,000))
22		<u>3,331,000</u>
23	Public Safety and Education Account--Private/Local	
24	Appropriation \$	((4,200,000))
25		<u>2,100,000</u>
26	Asbestos Account--State Appropriation . . . \$	688,000
27	Electrical License Account--State	
28	Appropriation \$	28,412,000
29	Farm Labor Revolving Account--Private/Local	
30	Appropriation \$	28,000
31	Worker and Community Right-to-Know Account--State	
32	Appropriation \$	2,281,000
33	Public Works Administration Account--State	
34	Appropriation \$	2,856,000

1	Accident Account--State Appropriation . . . \$	((179,186,000))
2		<u>184,219,000</u>
3	Accident Account--Federal Appropriation \$	11,568,000
4	Medical Aid Account--State Appropriation . . . \$	((176,715,000))
5		<u>178,366,000</u>
6	Medical Aid Account--Federal Appropriation \$	2,438,000
7	Plumbing Certificate Account--State	
8	Appropriation \$	1,015,000
9	Pressure Systems Safety Account--State	
10	Appropriation \$	((2,274,000))
11		<u>2,525,000</u>
12	TOTAL APPROPRIATION \$	((455,143,000))
13		<u>451,482,000</u>

14 The appropriations in this section are subject to the following
15 conditions and limitations:

16 (1) Pursuant to RCW 7.68.015, the department shall operate the crime
17 victims compensation program within the public safety and education account
18 funds appropriated in this section and funds available in the crime victims
19 compensation trust account. In the event that cost containment measures are
20 necessary, the department may (a) institute copayments for services; (b)
21 develop preferred provider contracts; or (c) other cost containment
22 measures. Cost containment measures shall not include holding invoices
23 received in one fiscal period for payment from appropriations in subsequent
24 fiscal periods. No more than \$5,248,000 of the public safety and education
25 account appropriation shall be expended for department administration of the
26 crime victims compensation program.

27 (2) ~~((\$1,438,000 of the accident account--state appropriation and~~
28 ~~\$1,438,000 of the medical aid account--state appropriation are provided for~~
29 ~~the one-time cost of implementing a recent state supreme court ruling~~
30 ~~regarding the calculation of workers' compensation benefits. This decision~~
31 ~~significantly increases the complexity of calculating benefits and therefore~~
32 ~~increases the administrative and legal costs of the workers' compensation~~
33 ~~program. The department shall develop and report to appropriate committees~~
34 ~~of the legislature proposed statutory language that provides greater~~

~~certainty and simplicity in the calculation of benefits. The report shall be submitted by October 1, 2001.~~

~~(3))~~ It is the intent of the legislature that elevator inspection fees shall fully cover the cost of the elevator inspection program. Pursuant to RCW 43.135.055, during the 2001-03 fiscal biennium the department may increase fees in excess of the fiscal growth factor, if the increases are necessary to fully fund the cost of the elevator inspection program.

Sec. 217. 2001 2nd sp.s. c 7 s 218 (uncodified) is amended to read as follows:

FOR THE INDETERMINATE SENTENCE REVIEW BOARD

General Fund--State Appropriation (FY 2002) . . \$	999,000
General Fund--State Appropriation (FY 2003) . . \$	((999,000))
	<u>969,000</u>
TOTAL APPROPRIATION \$	((1,998,000))
	<u>1,968,000</u>

Sec. 218. 2001 2nd sp.s. c 7 s 219 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF VETERANS AFFAIRS

(1) HEADQUARTERS

General Fund--State Appropriation (FY 2002) . . \$	1,529,000
General Fund--State Appropriation (FY 2003) . . \$	((1,533,000))
	<u>1,484,000</u>
Charitable, Educational, Penal, and Reformatory Institutions Account--State Appropriation \$	7,000
TOTAL APPROPRIATION \$	((3,069,000))
	<u>3,020,000</u>

(2) FIELD SERVICES

General Fund--State Appropriation (FY 2002) . . \$	2,619,000
General Fund--State Appropriation (FY 2003) . . \$	((2,643,000))
	<u>2,580,000</u>
General Fund--Federal Appropriation \$	155,000

1	General Fund--Private/Local Appropriation	\$	1,663,000
2	TOTAL APPROPRIATION	\$	((7,080,000))
3			<u>7,017,000</u>
4	(3) INSTITUTIONAL SERVICES		
5	General Fund--State Appropriation (FY 2002) . .	\$	((6,832,000))
6			<u>5,765,000</u>
7	General Fund--State Appropriation (FY 2003) . .	\$	((4,600,000))
8			<u>5,516,000</u>
9	General Fund--Federal Appropriation	\$	((28,699,000))
10			<u>27,437,000</u>
11	General Fund--Private/Local Appropriation	\$	((25,614,000))
12			<u>22,828,000</u>
13	TOTAL APPROPRIATION	\$	((65,745,000))
14			<u>61,546,000</u>

15 The appropriations in this subsection are subject to the following
16 terms and conditions: ((~~\$3,664,000~~)) \$2,886,000 of the general fund--
17 federal appropriation and ((~~\$7,377,000~~)) \$5,639,000 of the general fund--
18 local appropriation are provided solely for the department to acquire,
19 establish, and operate a nursing facility dedicated to serving men and women
20 from Washington who have served in the nation's armed forces.

21 NEW SECTION. Sec. 219. A new section is added to 2001 2nd sp.s. c 7
22 (uncodified) to read as follows:

23 **FOR THE HOME CARE QUALITY AUTHORITY**
24 General Fund--State Appropriation (FY 2003) . . \$ 152,000

25 The appropriation in this section is subject to the following
26 conditions and limitations: The general fund--state appropriation for
27 fiscal year 2003 is provided for start-up costs of the home care quality
28 authority, a new state agency established by the enactment of Initiative
29 Measure No. 775.

30 **Sec. 220.** 2001 2nd sp.s. c 7 s 220 (uncodified) is amended to read as
31 follows:

1	FOR THE DEPARTMENT OF HEALTH		
2	General Fund--State Appropriation (FY 2002) . . \$	((65,308,000))	
3			<u>62,500,000</u>
4	General Fund--State Appropriation (FY 2003) . . \$	((66,941,000))	
5			<u>57,805,000</u>
6	Health Services Account--State Appropriation . \$	((24,186,000))	
7			<u>28,357,000</u>
8	General Fund--Federal Appropriation \$	((276,840,000))	
9			<u>296,992,000</u>
10	General Fund--Private/Local Appropriation \$	((81,526,000))	
11			<u>82,912,000</u>
12	Hospital Commission Account--State		
13	Appropriation \$	((1,718,000))	
14			<u>2,305,000</u>
15	Health Professions Account--State		
16	Appropriation \$	((38,456,000))	
17			<u>39,855,000</u>
18	Emergency Medical Services and Trauma Care Systems		
19	Trust Account--State Appropriation \$		14,858,000
20	Safe Drinking Water Account--State		
21	Appropriation \$	((2,701,000))	
22			<u>2,689,000</u>
23	Drinking Water Assistance Account--Federal		
24	Appropriation \$	((13,400,000))	
25			<u>13,376,000</u>
26	Waterworks Operator Certification--State		
27	Appropriation \$		622,000
28	<u>Salmon Recovery Account--State Appropriation . \$</u>		<u>182,000</u>
29	Water Quality Account--State Appropriation \$	((3,328,000))	
30			<u>3,304,000</u>
31	Accident Account--State Appropriation . . \$		257,000
32	Medical Aid Account--State Appropriation . . . \$		45,000
33	State Toxics Control Account--State		
34	Appropriation \$	((2,817,000))	
35			<u>2,809,000</u>

1 (4) The department of health shall not initiate any services that will
2 require expenditure of state general fund moneys unless expressly authorized
3 in this act or other law. The department may seek, receive, and spend,
4 under RCW 43.79.260 through 43.79.282, federal moneys not anticipated in
5 this act as long as the federal funding does not require expenditure of
6 state moneys for the program in excess of amounts anticipated in this act.
7 If the department receives unanticipated unrestricted federal moneys, those
8 moneys shall be spent for services authorized in this act or in any other
9 legislation that provides appropriation authority, and an equal amount of
10 appropriated state moneys shall lapse. Upon the lapsing of any moneys under
11 this subsection, the office of financial management shall notify the
12 legislative fiscal committees. As used in this subsection, "unrestricted
13 federal moneys" includes block grants and other funds that federal law does
14 not require to be spent on specifically defined projects or matched on a
15 formula basis by state funds.

16 (5) (~~(\$5,779,000))~~ \$14,615,000 of the health services account--state
17 appropriation (~~((for fiscal year 2002 and \$4,665,000 of the health services~~
18 ~~account--state appropriation for fiscal year 2003 are))~~) and \$5,163,000 of
19 the general fund--state appropriation for fiscal year 2002 are provided
20 solely for ((purchase and distribution of the pneumococcal conjugate vaccine
21 ~~as part of~~)) the state's program of universal access to essential childhood
22 vaccines. The department shall utilize all available federal funding before
23 expenditure of these funds.

24 (6) \$85,000 of the general fund--state appropriation for fiscal year
25 2002 and \$65,000 of the general fund--state appropriation for fiscal year
26 2003 are provided solely for the implementation of Substitute House Bill No.
27 1365 (infant and child products). If the bill is not enacted by June 30,
28 2001, the amounts provided in this subsection shall lapse.

29 (7) (~~(\$58,000 of the general fund--state appropriation for fiscal year~~
30 ~~2002 and \$25,000 of the general fund--state appropriation for fiscal year~~
31 ~~2003 are provided solely for the implementation of Second Substitute House~~
32 ~~Bill No. 1590 (breastfeeding). If the bill is not enacted by June 30, 2001,~~
33 ~~the amounts provided in this subsection shall lapse.~~

34 ~~—(8))~~ From funds appropriated in this section, the state board of
35 health shall convene a broadly-based task force to review the available

1 information on the potential risks and benefits to public and personal
2 health and safety, and to individual privacy, of emerging technologies
3 involving human deoxyribonucleic acid (DNA). The board may reimburse task
4 force members for travel expenses according to RCW 43.03.220. The task
5 force shall consider information provided to it by interested persons on:
6 (a) The incidence of discriminatory actions based upon genetic information;
7 (b) strategies to safeguard civil rights and privacy related to genetic
8 information; (c) remedies to compensate individuals for inappropriate use
9 of their genetic information; and (d) incentives for further research and
10 development on the use of DNA to promote public health, safety, and welfare.
11 The task force shall report on its findings and any recommendations to
12 appropriate committees of the legislature by October 1, 2002.

13 ((+9+)) (8) \$533,000 of the general fund--state appropriation for
14 fiscal year 2002 and ((\$1,067,000)) \$847,000 of the general fund--state
15 appropriation for fiscal year 2003 are provided solely for performance-based
16 contracts with local jurisdictions to assure the safety of drinking water
17 provided by small "group B" water systems.

18 (9) By October 1, 2002, the department shall adopt rules and establish
19 mechanisms under which the state's contribution to the cost of care for
20 recipients of HIV early intervention services whose incomes are above 125
21 percent of the federal poverty level shall be adjusted on a sliding-scale
22 basis. The rules shall provide for the percentage of costs for which the
23 state is responsible to decrease according to the recipient's income, and
24 shall further provide for an annual limit on out-of-pocket expenditures for
25 recipients at each income range.

26 (10) By December 1, 2002, the department shall report to appropriate
27 committees of the legislature with a feasibility analysis of implementing
28 an electronic filing system for death certificates. The study shall be
29 conducted in consultation and cooperation with local and state registrars,
30 funeral directors, and physicians, and shall include an analysis of applying
31 an additional fee to death certificates to cover the cost of developing and
32 operating the electronic system.

33 (11) The community and worker right to know appropriation is provided
34 solely for implementation of Senate Bill No. 6356 (children's environmental
35 health protection advisory committee). If Senate Bill No. 6356 is not

1 enacted by June 30, 2002, the community and worker right-to-know account
2 appropriation in this section shall lapse.

3 **Sec. 221.** 2001 2nd sp.s. c 7 s 221 (uncodified) is amended to read as
4 follows:

5 **FOR THE DEPARTMENT OF CORRECTIONS**

6 The appropriations to the department of corrections in this act shall
7 be expended for the programs and in the amounts specified herein. However,
8 after May 1, 2002, after approval by the director of financial management
9 and unless specifically prohibited by this act, the department may transfer
10 general fund--state appropriations for fiscal year 2002 between programs.
11 The director of financial management shall notify the appropriate fiscal
12 committees of the senate and house of representatives in writing prior to
13 approving any deviations from appropriation levels.

14 (1) ADMINISTRATION AND SUPPORT SERVICES

15	General Fund--State Appropriation (FY 2002) . . \$	((36,156,000))
16		<u>36,786,000</u>
17	General Fund--State Appropriation (FY 2003) . . \$	((36,365,000))
18		<u>36,212,000</u>
19	Public Safety and Education Account--State	
20	Appropriation	\$ 1,576,000
21	Violence Reduction and Drug Enforcement	
22	Account Appropriation	\$ 3,254,000
23	TOTAL APPROPRIATION	\$ ((77,351,000))
24		<u>77,828,000</u>

25 The appropriations in this subsection are subject to the following
26 conditions and limitations: \$4,623,000 of the general fund--state
27 appropriation for fiscal year 2002, \$4,623,000 of the general fund--state
28 appropriation for fiscal year 2003, and \$3,254,000 of the violence reduction
29 and drug enforcement account appropriation are provided solely for the
30 replacement of the department's offender-based tracking system. This amount
31 is conditioned on the department satisfying the requirements of section 902
32 of this act. The department shall prepare an assessment of the fiscal
33 impact of any changes to the replacement project. The assessment shall

- (a) Include a description of any changes to the replacement project
- (b) Provide the estimated costs for each component in the 2001-03 and subsequent biennia;
- (c) Include a schedule that provides the time estimated to complete changes to each component of the replacement project; and
- (d) Be provided to the office of financial management, the department of information services, the information services board, and the staff of the fiscal committees of the senate and the house of representatives no later than November 1, 2002.

(2) CORRECTIONAL OPERATIONS

General Fund--State Appropriation (FY 2002)	\$	((397,231,000))
		<u>404,390,000</u>
General Fund--State Appropriation (FY 2003)	\$	((407,078,000))
		<u>412,717,000</u>
General Fund--Federal Appropriation	\$	((12,096,000))
		<u>9,142,000</u>
Violence Reduction and Drug Enforcement Account--		
State Appropriation	\$	((1,614,000))
		<u>1,582,000</u>
Public Health Services Account Appropriation	\$	1,453,000
TOTAL APPROPRIATION	\$	((819,472,000))
		<u>829,284,000</u>

The appropriations in this subsection are subject to the following conditions and limitations:

(a) The department may expend funds generated by contractual agreements entered into for mitigation of severe overcrowding in local jails. Any funds generated in excess of actual costs shall be deposited in the state general fund. Expenditures shall not exceed revenue generated by such agreements and shall be treated as recovery of costs.

(b) The department shall provide funding for the pet partnership program at the Washington corrections center for women at a level at least equal to that provided in the 1995-97 biennium.

(c) The department of corrections shall accomplish personnel reductions with the least possible impact on correctional custody staff, community

1 custody staff, and correctional industries. For the purposes of this
2 subsection, correctional custody staff means employees responsible for the
3 direct supervision of offenders.

4 (d) \$553,000 of the general fund--state appropriation for fiscal year
5 2002 and (~~(\$1,171,000)~~) \$956,000 of the general fund--state appropriation
6 for fiscal year 2003 are provided solely to increase payment rates for
7 contracted education providers, contracted chemical dependency providers,
8 and contracted work release facilities.

9 (e) During the 2001-03 biennium, when contracts are established or
10 renewed for offender pay phone and other telephone services provided to
11 inmates, the department shall select the contractor or contractors primarily
12 based on the following factors: (i) The lowest rate charged to both the
13 inmate and the person paying for the telephone call; and (ii) the lowest
14 commission rates paid to the department, while providing reasonable
15 compensation to cover the costs of the department to provide the telephone
16 services to inmates and provide sufficient revenues for the activities
17 funded from the institutional welfare betterment account as of January 1,
18 2000.

19 (f) For the acquisition of properties and facilities, the department of
20 corrections is authorized to enter into financial contracts, paid for from
21 operating resources, for the purposes indicated and in not more than the
22 principal amounts indicated, plus financing expenses and required reserves
23 pursuant to chapter 39.94 RCW. This authority applies to the following:
24 Lease-develop with the option to purchase or lease-purchase approximately
25 50 work release beds in facilities throughout the state for \$3,500,000.

26 (g) \$22,000 of the general fund--state appropriation for fiscal year
27 2002 and \$76,000 of the general fund--state appropriation for fiscal year
28 2003 are provided solely for the implementation of Second Substitute Senate
29 Bill No. 6151 (high risk sex offenders in the civil commitment and criminal
30 justice systems). If the bill is not enacted by June 30, 2001, the amounts
31 provided in this subsection shall lapse.

32 (h) The department may acquire a ferry for no more than \$1,000,000 from
33 Washington state ferries. Funds expended for this purpose will be recovered
34 from the sale of marine assets.

(i) \$31,000 of the general fund--state appropriation for fiscal year 2003 is provided solely for the implementation of Substitute Senate Bill No. 6473 or Substitute House Bill No. 2468 (DNA database). If neither bill is enacted by June 30, 2002, the amount provided in this subsection shall lapse.

(j) \$53,000 of the general fund--state appropriation for fiscal year 2003 is provided solely for the implementation of Engrossed Substitute Senate Bill No. 6490 (motor vehicle theft). If the bill is not enacted by June 30, 2002, the amount provided in this subsection shall lapse.

(k) \$50,000 of the general fund--state appropriation for fiscal year 2003 is provided solely for the initial implementation of a medical algorithm practice program within the department's facilities. The program shall be designed to achieve clinical efficacy and costs efficiency in the utilization of psychiatric drugs.

(3) COMMUNITY SUPERVISION

General Fund--State Appropriation (FY 2002) . . . \$	((61,427,000))
	<u>68,097,000</u>

General Fund--State Appropriation (FY 2003) . . . \$	((62,934,000))
	<u>70,542,000</u>

General Fund--Federal Appropriation \$	((1,125,000))
	<u>870,000</u>

Public Safety and Education

Account--State Appropriation \$	((15,841,000))
	<u>15,358,000</u>

TOTAL APPROPRIATION \$	((141,327,000))
	<u>154,867,000</u>

The appropriations in this subsection are subject to the following conditions and limitations:

(a) The department of corrections shall accomplish personnel reductions with the least possible impact on correctional custody staff, community custody staff, and correctional industries. For the purposes of this subsection, correctional custody staff means employees responsible for the direct supervision of offenders.

(b) \$75,000 of the general fund--state appropriation for fiscal year 2002 and \$75,000 of the general fund--state appropriation for fiscal year 2003 are provided solely for the department of corrections to contract with the institute for public policy for responsibilities assigned in chapter 196, Laws of 1999 (offender accountability act) and sections 7 through 12 of chapter 197, Laws of 1999 (drug offender sentencing).

(c) \$16,000 of the general fund--state appropriation for fiscal year 2002 and (~~(\$34,000)~~) \$28,000 of the general fund--state appropriation for fiscal year 2003 are provided solely to increase payment rates for contracted chemical dependency providers.

(d) \$30,000 of the general fund--state appropriation for fiscal year 2002 and \$30,000 of the general fund--state appropriation for fiscal year 2003 are provided solely for the implementation of Substitute Senate Bill No. 5118 (interstate compact for adult offender supervision). If the bill is not enacted by June 30, 2001, the amounts provided in this subsection shall lapse.

(4) CORRECTIONAL INDUSTRIES

General Fund--State Appropriation (FY 2002) . . . \$	631,000
General Fund--State Appropriation (FY 2003) . . . \$	629,000
TOTAL APPROPRIATION \$	1,260,000

The appropriations in this subsection are subject to the following conditions and limitations: \$110,000 of the general fund--state appropriation for fiscal year 2002 and \$110,000 of the general fund--state appropriation for fiscal year 2003 are provided solely for transfer to the jail industries board. The board shall use the amounts provided only for administrative expenses, equipment purchases, and technical assistance associated with advising cities and counties in developing, promoting, and implementing consistent, safe, and efficient offender work programs.

(5) INTERAGENCY PAYMENTS

General Fund--State Appropriation (FY 2002) . . . \$	18,568,000
General Fund--State Appropriation (FY 2003) . . . \$	18,569,000
TOTAL APPROPRIATION \$	37,137,000

Sec. 222. 2001 2nd sp.s. c 7 s 222 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF SERVICES FOR THE BLIND

General Fund--State Appropriation (FY 2002) . . \$	((1,693,000))
	<u>1,652,000</u>
General Fund--State Appropriation (FY 2003) . . \$	((1,628,000))
	<u>1,588,000</u>
General Fund--Federal Appropriation \$	((11,140,000))
	<u>12,643,000</u>
General Fund--Private/Local Appropriation \$	80,000
TOTAL APPROPRIATION \$	((14,541,000))
	<u>15,963,000</u>

The appropriations in this section are subject to the following conditions and limitations: \$50,000 of the general fund--state appropriation for fiscal year 2002 and \$50,000 of the general fund--state appropriation for fiscal year 2003 are provided solely to increase state assistance for a comprehensive program of training and support services for persons who are both deaf and blind.

Sec. 223. 2001 2nd sp.s. c 7 s 223 (uncodified) is amended to read as follows:

FOR THE SENTENCING GUIDELINES COMMISSION

General Fund--State Appropriation (FY 2002) . . \$	936,000
General Fund--State Appropriation (FY 2003) . . \$	((857,000))
	<u>832,000</u>
TOTAL APPROPRIATION \$	((1,793,000))
	<u>1,768,000</u>

The appropriations in this section are subject to the following conditions and limitations:

\$78,000 of the general fund--state appropriation for fiscal year 2002 is provided solely for the sentencing guidelines commission to conduct a comprehensive review and evaluation of state sentencing policy. The review and evaluation shall include an analysis of whether current sentencing ranges and standards, as well as existing mandatory minimum sentences,

existing sentence enhancements, and special sentencing alternatives, are consistent with the purposes of the sentencing reform act as set out in RCW 9.94A.010, including the intent of the legislature to emphasize confinement for the violent offender and alternatives to confinement for the nonviolent offender. The review and evaluation shall also examine whether current sentencing ranges and standards are consistent with existing corrections capacity.

The review and evaluation shall consider studies on the cost-effectiveness of sentencing alternatives, as well as the fiscal impact of sentencing policies on state and local government. In conducting the review and evaluation, the commission shall consult with the superior court judges' association, the Washington association of prosecuting attorneys, the Washington defenders' association, the Washington association of criminal defense lawyers, the Washington association of sheriffs and police chiefs, organizations representing crime victims, and other organizations and individuals with expertise and interest in sentencing policy.

Not later than December 1, 2001, the commission shall present to the appropriate standing committees of the legislature the report of its comprehensive review and evaluation, together with any recommendations for revisions and modifications to state sentencing policy, including sentencing ranges and standards, mandatory minimum sentences, and sentence enhancements. If implementation of the recommendations of the commission would result in exceeding the capacity of correctional facilities, the commission shall at the same time present to the legislature a list of revised standard sentence ranges which are consistent with currently authorized rated and operational corrections capacity, and consistent with the purposes of the sentencing reform act.

Sec. 224. 2001 2nd sp.s. c 7 s 224 (uncodified) is amended to read as follows:

FOR THE EMPLOYMENT SECURITY DEPARTMENT

General Fund--Federal Appropriation	\$	180,628,000
General Fund--Private/Local Appropriation	\$	30,119,000
Unemployment Compensation Administration Account--		
Federal Appropriation	\$	((181,677,000))

1			<u>194,167,000</u>
2	Administrative Contingency Account--State		
3	Appropriation	\$	13,914,000
4	Employment Service Administrative Account--State		
5	Appropriation	\$	20,001,000
6	TOTAL APPROPRIATION	\$	((426,339,000))
7			<u>438,829,000</u>

PART III
NATURAL RESOURCES

Sec. 301. 2001 2nd sp.s. c 7 s 301 (uncodified) is amended to read as follows:

FOR THE COLUMBIA RIVER GORGE COMMISSION

General Fund--State Appropriation (FY 2002)	\$	398,000
General Fund--State Appropriation (FY 2003)	\$	((391,000))
		<u>379,000</u>
General Fund--Private/Local Appropriation	\$	749,000
TOTAL APPROPRIATION	\$	((1,538,000))
		<u>1,526,000</u>

The appropriations in this section are subject to the following conditions and limitations: \$40,000 of the general fund--state appropriation for fiscal year 2002 and \$40,000 of the general fund--state appropriation for fiscal year 2003 are provided solely to implement the scenic area management plan for Klickitat county. If Klickitat county adopts an ordinance to implement the scenic area management plan in accordance with the national scenic area act, P.L. 99-663, then the amounts provided in this subsection shall be provided as a grant to Klickitat county to implement its responsibilities under the act.

Sec. 302. 2001 2nd sp.s. c 7 s 302 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF ECOLOGY

General Fund--State Appropriation (FY 2002)	\$	((46,633,000))
		<u>39,373,000</u>
General Fund--State Appropriation (FY 2003)	\$	((44,481,000))
		<u>34,163,000</u>
General Fund--Federal Appropriation	\$	56,805,000
General Fund--Private/Local Appropriation	\$	4,351,000
Special Grass Seed Burning Research Account--		

1	State Appropriation	\$	14,000
2	Reclamation Revolving Account--State		
3	Appropriation	\$	((1,810,000))
4			<u>1,935,000</u>
5	Flood Control Assistance Account--		
6	State Appropriation	\$	4,098,000
7	State Emergency Water Projects Revolving Account--		
8	State Appropriation	\$	878,000
9	Waste Reduction/Recycling/Litter Control Account--		
10	State Appropriation	\$	((13,537,000))
11			<u>13,850,000</u>
12	State Drought Preparedness Account--State		
13	Appropriation	\$	((5,325,000))
14			<u>2,575,000</u>
15	<u>Salmon Recovery Account--State Appropriation</u>	<u>\$</u>	<u>250,000</u>
16	State and Local Improvements Revolving Account		
17	(Water Supply Facilities)--State		
18	Appropriation	\$	587,000
19	Water Quality Account--State Appropriation \$		((12,481,000))
20			<u>22,375,000</u>
21	Wood Stove Education and Enforcement Account--		
22	State Appropriation	\$	353,000
23	Worker and Community Right-to-Know Account--		
24	State Appropriation	\$	((3,288,000))
25			<u>3,235,000</u>
26	State Toxics Control Account--State		
27	Appropriation	\$	((68,931,000))
28			<u>69,496,000</u>
29	State Toxics Control Account--Private/Local		
30	Appropriation	\$	350,000
31	Local Toxics Control Account--State		
32	Appropriation	\$	((4,751,000))
33			<u>4,674,000</u>
34	Water Quality Permit Account--State		
35	Appropriation	\$	((23,827,000))

1 (1) \$3,874,000 of the general fund--state appropriation for fiscal year
2 2002, \$3,874,000 of the general fund--state appropriation for fiscal year
3 2003, \$394,000 of the general fund--federal appropriation, \$2,070,000 of the
4 oil spill prevention account--state appropriation, and \$3,686,000 of the
5 water quality permit account--state appropriation are provided solely for
6 the implementation of the Puget Sound work plan and agency action items DOE-
7 01, DOE-02, DOE-03, DOE-05, DOE-06, DOE-07, DOE-08, and DOE-09.

8 (2) \$500,000 of the state toxics control account appropriation is
9 provided for an assessment of the financial assurance requirements of
10 hazardous waste management facilities. By September 30, 2002, the
11 department shall provide to the governor and appropriate committees of the
12 legislature a report that: (a) Evaluates current statutes and regulations
13 governing hazardous waste management facilities; (b) analyzes and makes
14 recommendations for improving financial assurance regulatory control; and
15 (c) makes recommendations for funding financial assurance regulatory control
16 of hazardous waste management facilities.

17 (3) (~~(\$250,000 of the general fund--state appropriation for fiscal year~~
18 ~~2002, \$250,000 of the general fund--state appropriation for fiscal year~~
19 ~~2003, \$564,000))~~ \$814,000 of the state drought preparedness account--state
20 appropriation, (~~and~~) \$549,000 of the water quality account--state
21 appropriation, and \$250,000 of the salmon recovery account--state
22 appropriation are provided solely for enhanced streamflow monitoring in
23 critical salmon recovery basins. \$640,000 of this amount is provided solely
24 to implement the Puget Sound work plan and agency action item DOE-01.

25 (4) \$1,000,000 of the state toxics control account appropriation in
26 this section is provided solely for the department to work in cooperation
27 with local jurisdictions to address emerging storm water management
28 requirements. This work shall include developing a storm water manual for
29 eastern Washington, technical assistance to local jurisdictions, and
30 increased implementation of the department's existing storm water program.
31 \$200,000 of this amount is provided solely for implementation of the Puget
32 Sound work plan and agency action item DOE-06.

33 (5) \$383,000 of the general fund--state appropriation for fiscal year
34 2002 and \$383,000 of the general fund--state appropriation for fiscal year
35 2003 are provided solely for water conservation plan review, technical

1 assistance, and project review for water conservation and reuse projects.
2 By December 1, 2003, the department in cooperation with the department of
3 health shall report to the governor and appropriate committees of the
4 legislature on the activities and achievements related to water conservation
5 and reuse during the past two biennia. The report shall include an overview
6 of technical assistance provided, reuse project development activities, and
7 water conservation achievements.

8 (6) \$3,424,000 of the state toxics control account appropriation is
9 provided solely for methamphetamine lab clean up activities.

10 (7) \$800,000 of the state toxics control account appropriation is
11 provided solely to implement the department's persistent, bioaccumulative
12 toxic chemical strategy. \$54,000 of this amount shall be allocated to the
13 department of health to assist with this effort.

14 (8) Up to \$11,365,000 of the state toxics control account appropriation
15 is provided for the remediation of contaminated sites. Of this amount, up
16 to \$2,000,000 may be used to pay existing site remediation liabilities owed
17 to the federal environmental protection agency for clean-up work that has
18 been completed. The department shall carefully monitor actual revenue
19 collections into the state toxics control account, and is authorized to
20 limit actual expenditures of the appropriation provided in this section
21 consistent with available revenue.

22 (9) \$200,000 of the state toxics control account appropriation is
23 provided to assess the effectiveness of the state's current toxic pollution
24 prevention and dangerous waste programs and policies. The department shall
25 work with affected stakeholder groups and the public to evaluate the
26 performance of existing programs, and identify feasible methods of reducing
27 the generation of these wastes. The department shall report its findings
28 to the governor and the appropriate committees of the legislature by
29 September 30, 2002.

30 (10) \$1,200,000 of the state toxics control account appropriation is
31 provided solely for the department, in conjunction with affected local
32 governments, to address emergent areawide soil contamination problems. The
33 department's efforts will include public involvement processes and
34 completing assessments of the geographical extent of toxic contamination
35 including highly contaminated areas.

1 (11) \$170,000 of the oil spill prevention account appropriation is
2 provided solely for implementation of the Puget Sound work plan action item
3 UW-02 through a contract with the University of Washington's sea grant
4 program to develop an educational program targeted to small spills from
5 commercial fishing vessels, ferries, cruise ships, ports, and marinas.

6 (12) \$1,500,000 of the general fund--state appropriation for fiscal
7 year 2002, \$1,500,000 of the general fund--state appropriation for fiscal
8 year 2003, and \$3,000,000 of the water quality account appropriation are
9 provided solely to implement chapter 237, Laws of 2001 (Engrossed Substitute
10 House Bill No. 1832, water resources management) and to support the
11 processing of applications for changes and transfers of existing water
12 rights.

13 (13) (~~(\$4,500,000 of the general fund--state appropriation for fiscal~~
14 ~~year 2002 and \$4,500,000 of the general fund--state appropriation for fiscal~~
15 ~~year 2003 are))~~ \$9,000,000 of the water quality account--state appropriation
16 is provided solely for grants to local governments to conduct watershed
17 planning and technical assistance. At least \$7,000,000 shall be distributed
18 as grants.

19 (14) \$3,114,000 of the water quality account appropriation is provided
20 solely to implement Engrossed Substitute House Bill No. 1832 (water
21 resources management). Of this amount: (a) \$2,100,000 is provided for
22 grants to local governments for targeted watershed assessments consistent
23 with Engrossed Substitute House Bill No. 1832; and (b) the remainder of the
24 funding is provided solely for development of a state environmental policy
25 act template to streamline environmental review, creation of a blue ribbon
26 panel to develop long-term watershed planning implementation funding
27 options, and technical assistance.

28 ((+18+)) (15) \$200,000 of the water quality account appropriation is
29 provided solely to provide coordination and assistance to groups established
30 for the purpose of protecting, enhancing, and restoring the biological,
31 chemical, and physical processes of watersheds. These groups may include
32 those involved in coordinated resource management, regional fisheries
33 enhancement groups, conservation districts, watershed councils, and private
34 nonprofit organizations incorporated under Title 24 RCW.

1 ~~((+19+))~~ (16) \$325,000 of the state drought preparedness account--state
2 appropriation is provided solely for an environmental impact statement of
3 the Pine Hollow reservoir project to be conducted in conjunction with the
4 local irrigation district.

5 ~~((+20)-\$1,700,000))~~ (17) \$1,352,000 of the general fund--state
6 appropriation for fiscal year 2002 and \$280,000 of the oil spill prevention
7 account appropriation are provided solely for oil spill prevention measures
8 in Puget Sound. Of these amounts:

9 (a) The general fund appropriation is provided solely for the
10 department of ecology to provide for charter safety tug services(~~(. Safety~~
11 ~~tug services shall include: (i))~~), including the placement of a dedicated
12 tug at Neah Bay for not less than 200 days in fiscal year 2002(~~(+ and (ii)~~
13 ~~other safety tug services that may be released by the department at the~~
14 ~~request of the United States coast guard captain of the port for Puget Sound~~
15 ~~to the areas or incidents that the department deems to be of highest~~
16 ~~concern))~~). By January 10, 2002, the department shall report to the
17 appropriate committees of the legislature regarding the number of
18 dispatches, response time and distance, and other factors pertaining to the
19 safety tug services. The general fund--state appropriation in this
20 subsection is provided solely for implementation of the Puget Sound work
21 plan and agency action item DOE-09;

22 (b) \$100,000 of the oil spill prevention account appropriation is
23 provided solely for the department to conduct a vessel transponder
24 feasibility study for Washington waters and undertake a trial vessel
25 tracking program using transponders. In conducting the feasibility study
26 and trial program, the department of ecology shall consult with state
27 pilotage authorities, the maritime industry and the United States coast
28 guard; and

29 (c) \$180,000 of the oil spill prevention account appropriation is
30 provided solely to acquire vessel incident reporting information.

31 The governor shall request the federal government to provide ongoing
32 resources to station a dedicated rescue tug at Neah Bay.

33 ~~((+21+))~~ (18) \$600,000 of the water quality account--state
34 appropriation is provided solely for setting instream flows in six basins
35 not currently planning under the watershed planning act.

1 (19) The departments of fish and wildlife, natural resources, and
2 ecology shall jointly evaluate the feasibility of aligning regional
3 operations and boundaries. The evaluation shall consider, but not be
4 limited to the following elements: Colocation of regional and other field
5 offices, administrative efficiencies, geographic boundaries that conform to
6 water resource inventory areas, and the level of decision-making authorized
7 for regional and field operations. Jointly, the departments shall provide
8 a report to the legislature and the office of financial management by
9 November 1, 2002, on the evaluation. The report shall include
10 recommendations for changes to regional operations alignment and
11 consolidation.

12 (20) \$200,000 of the water quality account appropriation is provided
13 solely for activities associated with development of the Willapa River total
14 maximum daily load (TMDL). The activities shall include but are not limited
15 to: (a) A contract with Pacific county to complete the oxygen/bacteria and
16 temperature model for the TMDL, conduct a technical analysis of local
17 options for waste load allocations, and develop the first draft of the waste
18 load allocation plan; and (b) a contract for facilitation services for a
19 public process for the TMDL, assist in reaching consensus between parties
20 involved in the technical work, help ensure that there is an accurate public
21 record, and provide a forum for the waste load allocation.

22 (21) \$175,000 of the biosolids permit account is provided solely to
23 develop a statewide septage strategy. The department shall work with
24 affected stakeholders to address septage permit requirements, changes to
25 existing rules, clarification of state and local responsibilities, and fee
26 structure changes that are necessary to support the program in future
27 biennia. The department shall report its findings to the governor and
28 appropriate committees of the legislature by June 30, 2003.

29 (22) \$364,000 of the general fund--state appropriation for fiscal year
30 2003 is provided solely for the department to contract with the governor's
31 water policy advisor through fiscal year 2003 and the following activities:

32 (a)(i) A joint task force is created to study judicial and
33 administrative alternatives for resolving water disputes. The task force
34 is organized and led by the office of the attorney general. In addition to
35 the office of the attorney general, members of the task force include:

1 (A) Representatives of the legislature, including one member from each
2 caucus appointed by the president of the senate and the speaker of the
3 house;

4 (B) Representatives of the superior courts of Washington state
5 appointed by the president of the superior court judges association, and
6 shall include two judicial officers of the superior court from eastern
7 Washington and two judicial officers of the superior court from western
8 Washington;

9 (C) A representative of the Washington state court of appeals appointed
10 by the chief justice of the state supreme court;

11 (D) A representative of the environmental hearings office; and

12 (E) A representative of the department of ecology.

13 (ii) The objectives of the task force are to:

14 (A) Examine and characterize the types of water disputes to be
15 resolved;

16 (B) Examine the approach of other states to water dispute resolutio

17 (C) Recommend one or more methods to resolve water disputes, including,
18 but not limited to, an administrative resolution process; a judicial
19 resolution process such as water court; or any combination thereof; and

20 (D) Recommend an implementation plan that will address:

21 (I) A specific administrative structure for each method used to resolve
22 water disputes;

23 (II) The cost to implement the plan; and

24 (III) The changes to statutes and administrative rules necessary to
25 implement the plan.

26 (iii) The office of the attorney general shall work with the staff of
27 the standing committees of the legislature with jurisdiction over water
28 resources to research and compile information relevant to the mission of the
29 task force by December 31, 2002.

30 (iv) The task force shall submit its report to the appropriate
31 committees of the legislature no later than December 30, 2003.

32 (b) The department of ecology and the attorney general's office will
33 conduct a study to identify possible ways to streamline the water right
34 general adjudication procedures. By December 1, 2002, the agencies will
35 report on their findings and recommendations to the legislature.

1 (c)(i) The legislature finds that it is in the public interest to
2 investigate the feasibility of conducting negotiations with other states and
3 Canada regarding use of water bodies they share with the state of
4 Washington.

5 (ii) The governor, or the governor's designee, shall consult with the
6 states that share water bodies with the state of Washington, with Canada,
7 and with other states that have conducted similar negotiations, regarding
8 issues and strategies in those negotiations and shall report to the standing
9 committees of the legislature having jurisdiction over water resources by
10 January 1, 2003.

11 (d) By October 1, 2002, the department of ecology shall provide to the
12 appropriate standing committees of the legislature, a plan, schedule, and
13 budget for improving the administration of water right records held by the
14 department of ecology. The department of ecology shall work with the
15 department of revenue and with county auditors in developing recommendations
16 for improving the administration of water rights ownership information and
17 integrating this information with real property ownership records. The
18 department of ecology shall evaluate the need for grants to counties to
19 assist with recording and information management needs related to water
20 rights ownership and title.

21 (23) \$690,000 of the water quality account appropriation is provided
22 solely for development of regional water initiatives. Of this amount,
23 \$450,000 is provided for the Columbia River regional initiative, and
24 \$240,000 is provided for the Central Puget Sound regional initiative.

25 (24) For applicants that meet eligibility requirements, the department
26 of ecology shall consider individual stormdrain treatment systems to be
27 classified as "activity" projects and eligible for grant funding provided
28 under section 319 the federal Clean Water Act. These projects shall be
29 prioritized for funding along with other grant proposals. Receipt of
30 funding shall be based on this prioritization.

31 **Sec. 303.** 2001 2nd sp.s. c 7 s 303 (uncodified) is amended to read as
32 follows:

33 **FOR THE STATE PARKS AND RECREATION COMMISSION**

34 General Fund--State Appropriation (FY 2002) . . \$ ((32,298,000))

1		<u>32,198,000</u>
2	General Fund--State Appropriation (FY 2003) . . \$	((32,866,000))
3		<u>29,802,000</u>
4	General Fund--Federal Appropriation \$	2,690,000
5	General Fund--Private/Local Appropriation \$	60,000
6	Winter Recreation Program Account--State	
7	Appropriation \$	((787,000))
8		<u>1,087,000</u>
9	Off Road Vehicle Account--State Appropriation . \$	274,000
10	Snowmobile Account--State Appropriation \$	((4,682,000))
11		<u>4,612,000</u>
12	Aquatic Lands Enhancement Account--State	
13	Appropriation \$	337,000
14	Public Safety and Education Account--State	
15	Appropriation \$	((48,000))
16		<u>47,000</u>
17	<u>Salmon Recovery Account--State Appropriation . \$</u>	<u>200,000</u>
18	Water Trail Program Account--State	
19	Appropriation \$	24,000
20	Parks Renewal and Stewardship Account--	
21	State Appropriation \$	((26,420,000))
22		<u>26,409,000</u>
23	TOTAL APPROPRIATION \$	((100,486,000))
24		<u>97,740,000</u>

25 The appropriations in this section are subject to the following
26 conditions and limitations:

27 (1) Fees approved by the state parks and recreation commission in the
28 2001-03 biennium are authorized to exceed the fiscal growth factor under RCW
29 43.135.055.

30 (2) The state parks and recreation commission, in collaboration with
31 the office of financial management and legislative staff, shall develop a
32 cost-effective and readily accessible approach for reporting revenues and
33 expenditures at each state park. The reporting system shall be complete and
34 operational by December 1, 2001.

(3) (~~The appropriation in this section from the off-road vehicle account--state is provided under RCW 46.09.170(1)(c) and is provided solely to bring off-road vehicle recreation facilities into compliance with the requirements, guidelines, spirit, and intent of the federal Americans with disabilities act.~~

~~---~~(4)) \$79,000 of the general fund--state appropriation for fiscal year 2002, \$79,000 of the general fund--state appropriation for fiscal year 2003, and \$8,000 of the winter recreation program account--state appropriation are provided solely for a grant for the operation of the Northwest avalanche center.

((~~+5~~)) (4) \$432,000 of the parks renewal and stewardship account appropriation is provided for the operation of the Silver Lake visitor center. If a long-term management agreement is not reached with the U.S. forest service by September 30, 2001, the amount provided in this subsection shall lapse.

((~~+6~~)) (5) \$189,000 of the aquatic lands enhancement account appropriation is provided solely for the implementation of the Puget Sound work plan and agency action item P+RC-02.

Sec. 304. 2001 2nd sp.s. c 7 s 304 (uncodified) is amended to read as follows:

FOR THE INTERAGENCY COMMITTEE FOR OUTDOOR RECREATION

General Fund--State Appropriation (FY 2002)	\$ ((393,000))
	<u>143,000</u>
General Fund--State Appropriation (FY 2003)	\$ ((395,000))
	<u>145,000</u>
General Fund--Federal Appropriation	\$ 8,358,000
Firearms Range Account--State Appropriation	\$ 13,000
<u>Salmon Recovery Account--State Appropriation . . .</u>	<u>\$ 500,000</u>
Recreation Resources Account--State Appropriation .	\$ 2,584,000
Recreation Resources Account--Federal Appropriation	481,000
NOVA Program Account--State Appropriation . . .	\$ 611,000
Water Quality Account--State Appropriation . .	\$ 700,000
State Toxics Control Account--State Appropriation .	\$ 500,000
Aquatic Lands Enhancement Account--State	

1 Appropriation \$ 200,000
2 TOTAL APPROPRIATION \$ 14,235,000

3 The appropriations in this section are subject to the following
4 conditions and limitations:

5 (1) (~~(\$250,000 of the general fund--state appropriation for fiscal year~~
6 ~~2002, \$250,000 of the general fund--state appropriation for fiscal year~~
7 ~~2003)) \$500,000 of the salmon recovery account appropriation, \$500,000 of~~

8 the water quality account appropriation, and \$500,000 of the state toxics

9 control account appropriation are provided solely to implement chapter 298,

10 Laws of 2001, Substitute Senate Bill No. 5637 (watershed health monitoring

11 and assessment) and for the development of a comprehensive salmon recovery

12 and watershed health monitoring strategy and action plan. The strategy and

13 action plan shall address the monitoring recommendations of the independent

14 science panel in its report, *Recommendations for Monitoring Salmonid*

15 *Recovery in Washington State* (December 2000), and of the joint legislative

16 audit and review committee in its report *Investing in the Environment:*

17 *Environmental Quality Grant and Loan Programs Performance Audit* (January

18 2001). The action plan shall include an assessment of state agency

19 operations related to monitoring, evaluation, and adaptive management of

20 salmon recovery and watershed health; any operational or statutory changes

21 necessary to implement the strategy and action plan; and funding

22 recommendations.

23 (2) \$8,000,000 of the general fund--federal appropriation is provided

24 solely for implementation of the forest and fish agreement rules. These

25 funds will be passed through to the department of natural resources and the

26 department of fish and wildlife.

27 (3) By August 1, 2001, the interagency committee for outdoor recreation

28 shall complete the public lands inventory project and submit the project

29 report to the joint legislative audit and review committee for review.

30 (4) \$200,000 of the aquatic lands enhancement account--state

31 appropriation is provided solely to develop and implement a conservation

32 initiative for Maury Island. The interagency committee for outdoor

33 recreation shall contract with the Cascade Land Conservancy to develop and

34 implement the initiative and to provide the following services: (a) Land

1 and resource appraisal; (b) development of a plan of finance for acquisition
2 of land or interests in land; and (c) conduct negotiations among purchasers
3 and willing sellers.

4 **Sec. 305.** 2001 2nd sp.s. c 7 s 305 (uncodified) is amended to read as
5 follows:

6 **FOR THE ENVIRONMENTAL HEARINGS OFFICE**

7	General Fund--State Appropriation (FY 2002)	\$	846,000
8	General Fund--State Appropriation (FY 2003)	\$	((847,000))
9			<u>822,000</u>
10	TOTAL APPROPRIATION	\$	((1,693,000))
11			<u>1,668,000</u>

12 **Sec. 306.** 2001 2nd sp.s. c 7 s 306 (uncodified) is amended to read as
13 follows:

14 **FOR THE CONSERVATION COMMISSION**

15	General Fund--State Appropriation (FY 2002) . . \$	((2,207,000))
16		<u>2,141,000</u>
17	General Fund--State Appropriation (FY 2003) . . \$	((2,196,000))
18		<u>2,131,000</u>
19	Water Quality Account--State Appropriation \$	((3,739,000))
20		<u>2,098,000</u>
21	TOTAL APPROPRIATION	\$ ((8,142,000))
22		<u>6,370,000</u>

23 The appropriations in this section are subject to the following
24 conditions and limitations:

25 (1) \$500,000 of the water quality account--state appropriation is
26 provided solely for the agriculture, fish, and water negotiations to develop
27 best management practices that will protect and recover salmon. The
28 commission shall make grants to allow interest groups to participate in the
29 negotiations.

30 (2) ~~(((\$1,601,000 of the water quality account--state appropriation is~~
31 ~~provided solely for the completion of limiting factors analysis for~~

~~watersheds affected by listings of salmon and bull trout under the federal
endangered species act.~~

~~---(3))~~ \$247,000 of the general fund--state appropriation for fiscal year
2002 and \$247,000 of the general fund--state appropriation for fiscal year
2003 are provided solely for the implementation of the Puget Sound work plan
and agency action item CC-01.

~~((+4))~~ (3) By March 1, 2002, the conservation reserve enhancement
program contract with the federal farm service agency shall be proposed for
amendment to allow funding of flexible riparian buffer standards consistent
with: (a) The recommendations of the state's agriculture/fish/water
negotiation process; or (b) ordinances adopted through municipal regulations
in compliance with the state growth management act requirement to protect
critical areas. These ordinances shall be scientifically defensible and
include programs for monitoring and adaptive management.

Sec. 307. 2001 2nd sp.s. c 7 s 307 (uncodified) is amended to read as
follows:

FOR THE DEPARTMENT OF FISH AND WILDLIFE

General Fund--State Appropriation (FY 2002) . . . \$	((51,600,000))
	<u>47,691,000</u>
General Fund--State Appropriation (FY 2003) . . . \$	((50,762,000))
	<u>42,403,000</u>
General Fund--Federal Appropriation \$	((37,366,000))
	<u>37,591,000</u>
General Fund--Private/Local Appropriation \$	24,365,000
Off Road Vehicle Account--State	
Appropriation \$	475,000
Aquatic Lands Enhancement Account--State	
Appropriation \$	((6,094,000))
	<u>5,037,000</u>
Public Safety and Education Account--State	
Appropriation \$	((586,000))
	<u>570,000</u>
Recreational Fisheries Enhancement Account--	
State Appropriation \$	((3,032,000))

1		<u>3,332,000</u>
2	<u>Salmon Recovery Account--State Appropriation . . . \$</u>	<u>1,612,000</u>
3	Warm Water Game Fish Account--State	
4	Appropriation \$	((2,567,000))
5		<u>2,518,000</u>
6	Eastern Washington Pheasant Enhancement Account--	
7	State Appropriation \$	750,000
8	Wildlife Account--State Appropriation . . . \$	((48,518,000))
9		<u>49,622,000</u>
10	Wildlife Account--Federal Appropriation \$	38,182,000
11	Wildlife Account--Private/Local	
12	Appropriation \$	15,133,000
13	Game Special Wildlife Account--State	
14	Appropriation \$	1,941,000
15	Game Special Wildlife Account--Federal	
16	Appropriation \$	9,591,000
17	Game Special Wildlife Account--Private/Local	
18	Appropriation \$	350,000
19	((Water Quality Account--State Appropriation . . . \$	1,000,000))
20	Environmental Excellence Account--State	
21	Appropriation \$	15,000
22	Regional Fisheries Salmonid Recovery Account--	
23	Federal Appropriation \$	1,750,000
24	Oil Spill Administration Account--State	
25	Appropriation \$	963,000
26	Oyster Reserve Land Account--State	
27	Appropriation \$	135,000
28	TOTAL APPROPRIATION \$	((295,175,000))
29		<u>284,026,000</u>

30 The appropriations in this section are subject to the following
31 conditions and limitations:

32 (1) \$1,682,000 of the general fund--state appropriation for fiscal year
33 2002 and ((~~\$1,682,000~~)) \$1,395,000 of the general fund--state appropriation

for fiscal year 2003 are provided solely for the implementation of the Puget Sound work plan and agency action items DFW-01 through DFW-07.

(2) \$200,000 of the general fund--state appropriation for fiscal year 2002 and \$200,000 of the general fund--state appropriation for fiscal year 2003 are provided solely for the department to update the salmon and steelhead stock inventory.

~~(3) ((\$550,000 of the general fund--state appropriation for fiscal year 2002 and \$550,000 of the general fund--state appropriation for fiscal year 2003 are provided solely for salmonid smolt production monitoring.~~

~~——(4))~~ \$250,000 of the general fund--state appropriation for fiscal year 2002 and \$250,000 of the general fund--state appropriation for fiscal year 2003 are provided solely for the department to implement a hatchery endangered species act response. The response shall include emergency hatchery responses, production, and retrofitting of hatcheries for salmon recovery.

~~((+5))~~ (4) \$600,000 of the general fund--state appropriation for fiscal year 2002 and \$600,000 of the general fund--state appropriation for fiscal year 2003 are provided solely for local salmon recovery technical assistance.

~~((+6) \$1,625,000 of the general fund--state appropriation for fiscal year 2002 and \$1,625,000 of the general fund--state appropriation for fiscal year 2003 are provided solely to fund grants to lead entities established under chapter 77.85 RCW. The department, in consultation with the lead entity advisory group and individual lead entities, shall establish an application process and evaluation criteria to allocate funds to up to 26 lead entities to provide core activities identified in chapter 77.85 RCW. Grants to individual lead entities may range from \$37,500 to \$150,000 per year.~~

~~——(7) \$125,000 of the general fund--state appropriation for fiscal year 2002 and \$125,000 of the general fund--state appropriation for fiscal year 2003 are))~~ (5) \$250,000 of the salmon recovery account appropriation is

provided solely for a grant to the lower Skykomish River habitat conservation group for the purpose of developing a salmon recovery plan, in coordination with the lead entity established under chapter 77.85 RCW for that area. The salmon recovery plan must be consistent with the regional

1 recovery plans of the Puget Sound shared strategy and criteria developed by
2 the department for the regional salmon recovery planning program.

3 ~~((8) \$1,000,000 of the water quality--state appropriation is provided~~
4 ~~solely to fund grants to lead entities established under chapter 77.85 RCW~~
5 ~~or watershed planning units established under chapter 90.82 RCW that agree~~
6 ~~to coordinate the development of comprehensive local and regional salmon~~
7 ~~recovery plans. The department shall establish a model for local and~~
8 ~~regional plans as well as eligibility and evaluation criteria for~~
9 ~~distribution of funds to lead entities and watershed planning units. No~~
10 ~~annual grant shall exceed \$125,000 per year.~~

11 ~~---~~(9)) (6) \$91,000 of the warm water game fish account appropriation is
12 provided solely for warm water fish culture at the Rod Meseberg warm water
13 fish production facility.

14 ~~((10) \$300,000))~~ (7) \$200,000 of the general fund--state appropriation
15 for fiscal year 2002 and ~~((300,000))~~ \$200,000 of the general fund--state
16 appropriation for fiscal year 2003 are provided solely to fund ~~((four))~~
17 three cooperative compliance programs, ~~((two))~~ both in Western
18 ~~((Washington))~~ and ~~((two in))~~ Eastern Washington. The cooperative
19 compliance program shall conduct fish screen, fish way, and fish passage
20 barrier assessments and correction plans for landowners seeking cooperative
21 compliance agreements with the department.

22 ~~((11) \$1,300,000 of the general fund--state appropriation for fiscal~~
23 ~~year 2002))~~ (8) \$1,300,000 of the salmon recovery account appropriation and
24 \$5,000,000 of the general fund--federal appropriation are provided solely
25 for economic adjustment assistance to fishermen pursuant to the 1999 Pacific
26 salmon treaty agreement.

27 ~~((12))~~ (9) \$2,000,000 of the aquatic lands enhancement account
28 appropriation is provided for cooperative volunteer projects.

29 ~~((13))~~ (10) \$810,000 of the general fund--state appropriation for
30 fiscal year 2002, \$790,000 of the general fund--state appropriation for
31 fiscal year 2003, and \$250,000 of the wildlife account--state appropriation
32 are provided solely for enforcement and biological staff to respond and take
33 appropriate action to public complaints regarding bear and cougar.

1 ~~((14)) The department shall evaluate the fish program to determine if~~
2 ~~activities are aligned with agency objectives and if specific activities~~
3 ~~support the agency's strategic plan.~~

4 ~~—(15))~~ (11) \$75,000 of the general fund--state appropriation for fiscal
5 year 2003 is provided solely to the department to execute an interagency
6 agreement with the joint legislative audit and review committee to complete
7 an independent organizational and operational review of the fish management
8 division of the fish program. This review shall include:

9 (a) Identifying those actual functions carried out by the fish
10 management division, including all expenditures by fund source linked to
11 those functions, and the agency's rationale for its current staffing and
12 expenditure levels;

13 (b) Distinguishing those specific division activities and expenditures
14 that are mandated by court decisions, federal laws or treaties, federal
15 contracts, state laws, and fish and wildlife commission directives, as apart
16 from department discretionary policies;

17 (c) Reviewing the extent to which division activities and related
18 program expenditures contribute to meeting legislative intent, agency goals,
19 and programmatic objectives; and

20 (d) Evaluating how performance in meeting intent, goals, and objectives
21 through program activities is measured, reported, and improved.

22 The committee shall provide a status report on this review to the
23 appropriate legislative policy and fiscal committees by November 1, 2002,
24 and a final report by December 1, 2003.

25 (12) The department shall implement a lands program manager
26 consolidation program. The consolidation program shall target the
27 department's south central region. The savings from this consolidation
28 shall be used by the department for additional maintenance on agency lands
29 within the south central region.

30 ~~((16))~~ (13) The department shall implement a survey of all agency
31 lands to evaluate whether agency lands support the agency's strategic plan
32 and goals. The department shall submit a report to the governor and
33 legislature by September 1, 2002, identifying those lands not conforming
34 with the agency's strategic plan and which should be divested.

~~((+17+))~~ (14) \$388,000 of the general fund--state appropriation for fiscal year 2002 and \$388,000 of the general fund--state appropriation for fiscal year 2003 are provided solely to implement the forests and fish agreement and includes funding to continue statewide coordination and implementation of the forests and fish rules, integration of portions of the hydraulic code into the forest practices rules to provide permit streamlining, and sharing the responsibility of developing and implementing the required forests and fish agreement monitoring and adaptive management program.

~~((+18+))~~ (15) \$194,000 of the general fund--state appropriation for fiscal year 2002 and \$195,000 of the general fund--state appropriation for fiscal year 2003 are provided solely for staff to represent the state's fish and wildlife interests in hydroelectric project relicensing processes by the federal energy regulatory commission.

~~((+19+))~~ (16) \$156,000 of the wildlife account--state appropriation is provided solely for a youth fishing coordinator to develop partnerships with local communities, and to identify, develop, fund, and promote youth fishing events and opportunities. Event coordination and promotion services shall be contracted to a private consultant.

~~((+20+))~~ (17) \$135,000 of the oyster reserve land account appropriation is provided solely to implement chapter 273, Laws of 2001, Engrossed Second Substitute House Bill No. 1658 (state oyster reserve lands).

~~((+21+))~~ (18) \$43,000 of the general fund--state appropriation for fiscal year 2002 and \$42,000 of the general fund--state appropriation for fiscal year 2003 are provided solely for staffing and operation of the Tennant Lake interpretive center.

~~((+22+))~~ (19) \$32,000 of the general fund--state appropriation for fiscal year 2002 and \$33,000 of the general fund--state appropriation for fiscal year 2003 are provided solely to support the activities of the aquatic nuisance species coordination committee to foster state, federal, tribal, and private cooperation on aquatic nuisance species issues. The committee shall strive to prevent the introduction of nonnative aquatic species and to minimize the spread of species that are introduced.

1 (~~((+23+))~~) (20) \$25,000 of the wildlife account--state appropriation is
2 provided solely for the WildWatchCam program to provide internet
3 transmission of live views of wildlife.

4 (~~((+24+))~~) (21) \$8,000 of the general fund--state appropriation for
5 fiscal year 2002 and \$7,000 of the general fund--state appropriation for
6 fiscal year 2003 are provided solely for the payment of the department's
7 share of approved lake management district assessments. By December 15,
8 2001, the department shall provide the legislature a summary of its
9 activities related to lake management districts as well as recommendations
10 for establishing equitable lake management district assessments.

11 (22) The department shall emphasize enforcement of laws related to
12 protection of fish habitat and the illegal harvest of salmon and steelhead.
13 Within the amount provided for the agency, the department shall provide
14 support to the department of health to enforce state shellfish harvest laws.

15 (23) The departments of fish and wildlife, natural resources, and
16 ecology shall jointly evaluate the feasibility of aligning regional
17 operations and boundaries. The evaluation shall consider, but not be
18 limited to the following elements: Colocation of regional and other field
19 offices, administrative efficiencies, geographic boundaries that conform to
20 water resource inventory areas, and the level of decision-making authorized
21 for regional and field operations. Jointly, the departments shall provide
22 a report to the legislature and the office of financial management by
23 November 1, 2002, on the evaluation. The report shall include
24 recommendations for changes to regional operations alignment and
25 consolidation.

26 (24) The fish and wildlife commission shall evaluate the adequacy,
27 structure, and amount of fees for hunting and fishing licenses and make
28 recommendations for revision of the fee structure and schedule as
29 appropriate. The evaluation shall consider, but is not limited to:
30 Assessment of the fish and wildlife resource management needs, fees in
31 adjacent states and countries, and efficiencies made possible through
32 automation. The commission shall report to the legislature and the office
33 of financial management by November 1, 2002.

34 (25) The department shall establish a hydraulic project approval
35 program technical review task force. The task force shall be composed of

1 a balanced representation of both hydraulic project proponents and
2 conservation interests. The task force shall conduct a thorough evaluation
3 of the hydraulic project approval program and make recommendations to the
4 legislature by November 30, 2002, based upon its evaluation. The task force
5 recommendations shall include a potential fee structure and schedule for
6 hydraulic project approval permits.

7 **Sec. 308.** 2001 2nd sp.s. c 7 s 308 (uncodified) is amended to read as
8 follows:

9 **FOR THE DEPARTMENT OF NATURAL RESOURCES**

10	General Fund--State Appropriation (FY 2002) . . . \$	((36,709,000))
11		<u>36,490,000</u>
12	General Fund--State Appropriation (FY 2003) . . . \$	((36,266,000))
13		<u>28,863,000</u>
14	General Fund--Federal Appropriation \$	((3,440,000))
15		<u>10,936,000</u>
16	General Fund--Private/Local Appropriation \$	((1,865,000))
17		<u>2,252,000</u>
18	Forest Development Account--State	
19	Appropriation \$	((52,511,000))
20		<u>50,053,000</u>
21	Off Road Vehicle Account--State	
22	Appropriation \$	((3,684,000))
23		<u>3,627,000</u>
24	Surveys and Maps Account--State	
25	Appropriation \$	2,689,000
26	Aquatic Lands Enhancement Account--State	
27	Appropriation \$	((4,458,000))
28		<u>3,854,000</u>
29	Resources Management Cost Account--State	
30	Appropriation \$	((85,979,000))
31		<u>79,134,000</u>
32	Surface Mining Reclamation Account--State	
33	Appropriation \$	((2,549,000))
34		<u>2,416,000</u>

1	Salmon Recovery Account--State	
2	Appropriation	\$ 625,000
3	Water Quality Account--State Appropriation \$	2,900,000
4	Aquatic Land Dredged Material Disposal Site	
5	Account--State Appropriation	\$ 1,056,000
6	Natural Resource Conservation Areas Stewardship	
7	Account Appropriation	\$ ((34,000))
8		<u>209,000</u>
9	<u>State Toxics Account--State Appropriation</u> \$	<u>1,865,000</u>
10	Air Pollution Control Account--State	
11	Appropriation	\$ 629,000
12	Metals Mining Account--State Appropriation \$	64,000
13	Agricultural College Trust Management Account	
14	Appropriation	\$ 1,790,000
15	<u>Derelict Vessel Removal Account--State</u>	
16	<u>Appropriation</u>	<u>\$ 89,000</u>
17	TOTAL APPROPRIATION	\$ ((237,248,000))
18		<u>229,541,000</u>

19 The appropriations in this section are subject to the following
20 conditions and limitations:

21 (1) \$18,000 of the general fund--state appropriation for fiscal year
22 2002, \$18,000 of the general fund--state appropriation for fiscal year 2003,
23 and \$998,000 of the aquatic lands enhancement account appropriation are
24 provided solely for the implementation of the Puget Sound work plan and
25 agency action items DNR-01, DNR-02, and DNR-04.

26 (2)(a) \$625,000 of the salmon recovery account appropriation,
27 \$1,250,000 of the general fund--state appropriation for fiscal year 2002,
28 \$1,250,000 of the general fund--state appropriation for fiscal year 2003,
29 and \$2,900,000 of the water quality account--state appropriation are
30 provided solely for implementation of chapter 4, Laws of 1999 sp. sess.
31 (forest practices and salmon recovery).

32 (b) \$250,000 of the salmon recovery account appropriation is provided
33 solely for and shall be expended to develop a small forest landowner data
34 base in ten counties. \$150,000 of the amount in this subsection shall be

1 used to purchase the data. \$100,000 of the amount in this subsection shall
2 purchase contracted analysis of the data.

3 (3) \$2,000,000 of the forest development account appropriation is
4 provided solely for road decommissioning, maintenance, and repair in the
5 Lake Whatcom watershed.

6 (4) \$543,000 of the forest fire protection assessment account
7 appropriation, \$22,000 of the forest development account appropriation, and
8 \$76,000 of the resource management cost account appropriation are provided
9 solely to implement chapter 279, Laws of 2001, Substitute House Bill No.
10 2104, (modifying forest fire protection assessments).

11 (5) \$895,000 of the general fund--state appropriation for fiscal year
12 2002 (~~and \$895,000 of the general fund--state appropriation for fiscal year~~
13 ~~2003~~) shall be transferred to the agricultural college trust management
14 account and are provided solely to manage approximately 70,700 acres of
15 Washington State University's agricultural college trust lands.

16 ((~~+7~~)) (6) \$4,000 of the general fund--state appropriation for fiscal
17 year 2002 and \$4,000 of the general fund--state appropriation for fiscal
18 year 2003 are provided solely to compensate the forest board trust for a
19 portion of the lease to the Crescent television improvement district
20 consistent with RCW 79.12.055.

21 (~~((+8))~~ ~~The appropriation from the off-road vehicle account--state is~~
22 ~~provided under RCW 46.09.170(1)(a)(ii) and is provided solely for projects~~
23 ~~that bring off-road vehicle recreation facilities into compliance with the~~
24 ~~requirements, guidelines, spirit, and intent of the federal Americans with~~
25 ~~disabilities act and do not compromise or impair sensitive natural~~
26 ~~resources.~~

27 ~~—((+9))~~ (7) \$828,000 of the surface mine reclamation account
28 appropriation is provided to implement Engrossed House Bill No. 1845
29 (surface mining fees). If the bill is not enacted by June 30, 2001, the
30 amount provided in this subsection shall lapse.

31 (~~((+10))~~) (8) \$800,000 of the aquatic lands enhancement account
32 appropriation and \$200,000 of the resources management cost account
33 appropriation are provided solely to improve asset management on state-owned
34 aquatic lands. The department shall streamline the use authorization
35 process for businesses operating on state-owned aquatic lands and issue

1 decisions on 325 pending lease applications by June 30, ~~((2002))~~ 2003. The
2 department, in consultation with the attorney general, shall develop a
3 strategic program to resolve claims related to contaminated sediments on
4 state-owned aquatic lands.

5 ~~((+11+))~~ (9) \$246,000 of the resource management cost account
6 appropriation is provided to the department for continuing control of spruce
7 budworm.

8 ~~((+12+))~~ (10) \$100,000 of the aquatic lands enhancement account is
9 provided solely for the development and initial implementation of a
10 statewide management plan for marine reserves.

11 ~~((+13+))~~ (11) \$7,657,859 of the general fund--state appropriation for
12 fiscal year 2002 and ~~(((\$7,657,859))~~ \$4,153,859 of the general fund--state
13 appropriation for fiscal year 2003 are provided solely for emergency fire
14 suppression.

15 ~~((+14+))~~ (12) \$7,216,000 of the general fund--state appropriation for
16 fiscal year 2002 and \$6,584,000 of the general fund--state appropriation for
17 fiscal year 2003 are provided solely for fire protection activities and to
18 implement provisions of the 1997 tridata fire program review.

19 ~~((+15+))~~ (13) \$100,000 of the general fund--state
20 appropriation for fiscal year 2002, \$275,000 of the general fund--state
21 appropriation for fiscal year 2003, ~~((and))~~ \$550,000 of the aquatic lands
22 enhancement account--state appropriation, and \$209,000 of the natural
23 resources conservation areas stewardship account--state appropriation are
24 provided solely to the department for planning, management, and stewardship
25 of natural area preserves and natural resources conservation areas.

26 ~~((+16+))~~ (14) \$187,000 of the general fund--state appropriation for
27 fiscal year 2002~~((+))~~ and \$188,000 of the general fund--state appropriation
28 for fiscal year 2003~~((+ and \$375,000 of the aquatic lands enhancement~~
29 ~~account--state appropriation))~~ are provided solely to the department for
30 maintenance and stewardship of public lands.

31 ~~((+17+))~~ (15) \$100,000 of the general fund--state appropriation for
32 fiscal year 2002, \$100,000 of the general fund--state appropriation for
33 fiscal year 2003, and \$400,000 of the aquatic lands enhancement account
34 appropriation are provided solely for spartina control.

1 (16) Fees approved by the board of natural resources for filing and
2 recording surveys are authorized to exceed the fiscal growth factor under
3 RCW 43.135.055 for 2002.

4 (17) The entire state toxics control account appropriation is provided
5 solely for the department to meet its settlement obligation with the U.S.
6 Environmental Protection Agency for the clean-up of the Thea Foss Waterway.

7 (18) The departments of fish and wildlife, natural resources, and
8 ecology shall jointly evaluate the feasibility of aligning regional
9 operations and boundaries. The evaluation shall consider, but not be
10 limited to the following elements: Colocation of regional and other field
11 offices, administrative efficiencies, geographic boundaries that conform to
12 water resource inventory areas, and the level of decision-making authorized
13 for regional and field operations. Jointly, the departments shall provide
14 a report to the legislature and the office of financial management by
15 November 1, 2002, on the evaluation. The report shall include
16 recommendations for changes to regional operations alignment and
17 consolidation.

18 (19) In managing natural resources conservation areas and recreation
19 sites in the San Juan Islands, the department shall implement cost-recovery
20 methodologies that will recover at least 30 percent of the expenditures for
21 managing these lands.

22 (20) \$8,384,000 of the resource management cost account appropriation
23 is provided solely for the purposes of RCW 79.64.020 and is contingent upon
24 the establishment, management, and protection of the following marine
25 reserves: Tidelands and bedlands adjacent to Cherry Point in Whatcom
26 county; tidelands and bedlands surrounding Maury Island in King county;
27 tidelands, bedlands, harbor areas, and waterways adjacent to the Puyallup
28 River delta, within Commencement Bay in Pierce county; tidelands and
29 bedlands surrounding Cypress Island in Skagit county; and tidelands and
30 bedlands within Fidalgo Bay in Skagit county.

31 (21) In order to diversify the investments of a trust on which a state
32 institution depends, by June 30, 2003, the department shall offer for sale,
33 consistent with the provisions of chapter 79.01 RCW, at least 10 percent of
34 the value of the agricultural school trust lands. All proceeds from the
35 sales shall be deposited in the agricultural permanent fund as established

in RCW 43.79.130, except the department's costs of transactions, including, but not limited to the costs of land and asset appraisal, survey, and auction, shall be deducted from the sale proceeds, but shall not be greater than 5 percent of the value of the assets sold.

Sec. 309. 2001 2nd sp.s. c 7 s 309 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF AGRICULTURE

General Fund--State Appropriation (FY 2002) . . . \$	((8,165,000))
	<u>7,915,000</u>
General Fund--State Appropriation (FY 2003) . . . \$	((8,024,000))
	<u>6,788,000</u>
General Fund--Federal Appropriation \$	((4,636,000))
	<u>6,741,000</u>
General fund--Private/Local Appropriation \$	1,110,000
Aquatic Lands Enhancement Account--State	
Appropriation \$	((2,304,000))
	<u>2,272,000</u>
State Toxics Control Account--State	
Appropriation \$	((2,672,000))
	<u>2,882,000</u>
TOTAL APPROPRIATION \$	((26,911,000))
	<u>27,708,000</u>

The appropriations in this section are subject to the following conditions and limitations:

(1) \$36,000 of the general fund--state appropriation for fiscal year 2002 and \$37,000 of the general fund--state appropriation for fiscal year 2003 are provided solely for implementation of the Puget Sound work plan and agency action item DOA-01.

(2) ((~~\$832,000~~)) \$1,077,000 of the state toxics control account appropriation and \$298,000 of the agricultural local account are provided solely to establish a program to monitor pesticides in surface water, sample and analyze surface waters for pesticide residues, evaluate pesticide

1 exposure on salmon species listed under the provisions of the endangered
2 species act, and implement actions needed to protect salmonids.

3 (3) \$1,480,000 of the aquatic lands enhancement account appropriation
4 is provided solely to initiate a (~~four-year~~) plan to eradicate
5 infestations of spartina in Puget Sound, Hood Canal, and Grays Harbor and
6 begin the reduction in spartina infestations in Willapa Bay.

7 (4) \$75,000 of the general fund--state appropriation for fiscal year
8 2002, \$75,000 of the general fund--state appropriation for fiscal year 2003,
9 and \$150,000 of the general fund--federal appropriation are provided solely
10 to the small farm and direct marketing program to support small farms in
11 complying with federal, state, and local regulations, facilitating access
12 to food processing centers, and assisting with grant funding requests.

13 (5) (~~(\$350,000)~~) \$225,000 of the general fund--state appropriation for
14 fiscal year 2002, (~~(\$350,000)~~) \$100,000 of the general fund--state
15 appropriation for fiscal year 2003, and \$700,000 of the general fund--
16 private/local appropriation are provided solely to implement chapter 324,
17 Laws of 2001 (Substitute House Bill No. 1891, marketing of agriculture).
18 Of these amounts, \$40,000 of the general fund--state appropriation is
19 provided solely to match funds provided by the red raspberry commission to
20 address unfair trade practices by other countries that result in sales in
21 Washington that are below the cost of production in Washington.

22 (6) \$450,000 of the state toxics control account--state appropriation
23 is provided solely for deposit in the agricultural local nonappropriated
24 account for the plant pest account to reimburse county horticultural pest
25 and disease boards for the costs of pest control activities, including tree
26 removal, conducted under their existing authorities in chapters 15.08 and
27 15.09 RCW.

28 (7) The district manager for district two as defined in WAC 16-458-075
29 shall transfer four hundred fifty thousand dollars from the fruit and
30 vegetable district fund to the plant pest account within the agricultural
31 local fund. The amount transferred must be derived from fees collected for
32 state inspections of tree fruits and shall be used solely to reimburse
33 county horticultural pest and disease boards in district two for the cost
34 of pest control activities, including tree removal, conducted under their
35 existing authority in chapters 15.08 and 15.09 RCW. The transfer of funds

1 shall occur by July 1, 2001. On June 30, 2003, any unexpended portion of
2 the four hundred fifty thousand dollars shall be returned to the fruit and
3 vegetable district fund.

4 (End of part)

PART IV
TRANSPORTATION

Sec. 401. 2001 2nd sp.s. c 7 s 401 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF LICENSING

General Fund--State Appropriation (FY 2002) . . \$	((5,389,000))
	<u>5,366,000</u>
General Fund--State Appropriation (FY 2003) . . \$	((5,377,000))
	<u>5,300,000</u>
Architects' License Account--State	
Appropriation \$	((707,000))
	<u>684,000</u>
Cemetery Account--State Appropriation . . \$	((214,000))
	<u>200,000</u>
Professional Engineers' Account--State	
Appropriation \$	((3,032,000))
	<u>3,103,000</u>
Real Estate Commission--State Appropriation . . \$	((6,777,000))
	<u>6,841,000</u>
Master License Account--State Appropriation . . \$	((8,409,000))
	<u>8,285,000</u>
Uniform Commercial Code Account--State	
Appropriation \$	((3,104,000))
	<u>2,902,000</u>
Real Estate Education Account--State	
Appropriation \$	((301,000))
	<u>276,000</u>
Funeral Directors and Embalmers Account--State	
Appropriation \$	((490,000))
	<u>459,000</u>
Washington Real Estate Research Account	
Appropriation \$	((316,000))

		<u>307,000</u>
1		
2	Data Processing Revolving Account--State	
3	Appropriation \$	23,000
4	<u>Derelict Vessel Removal Account--State</u>	
5	<u>Appropriation</u> \$	<u>86,000</u>
6	TOTAL APPROPRIATION \$	((34,139,000))
7		<u>33,832,000</u>

8 The appropriations in this section are subject to the following
9 conditions and limitations: In accordance with RCW 43.24.086, it is the
10 policy of the state of Washington that the cost of each professional,
11 occupational, or business licensing program be fully borne by the members
12 of that profession, occupation, or business. For each licensing program
13 covered by RCW 43.24.086, the department shall set fees at levels sufficient
14 to fully cover the cost of administering the licensing program, including
15 any costs associated with policy enhancements funded in the 2001-03 fiscal
16 biennium. Pursuant to RCW 43.135.055, during the 2001-03 fiscal biennium,
17 the department may increase fees in excess of the fiscal growth factor if
18 the increases are necessary to fully fund the costs of the licensing
19 programs.

20 **Sec. 402.** 2001 2nd sp.s. c 7 s 402 (uncodified) is amended to read as
21 follows:

22 FOR THE STATE PATROL

23	General Fund--State Appropriation (FY 2002) . . \$	((21,890,000))
24		<u>21,567,000</u>
25	General Fund--State Appropriation (FY 2003) . . \$	((8,066,000))
26		<u>7,933,000</u>
27	General Fund--Federal Appropriation \$	4,178,000
28	General Fund--Private/Local Appropriation \$	369,000
29	Death Investigations Account--State	
30	Appropriation \$	((3,899,000))
31		<u>4,024,000</u>
32	Public Safety and Education Account--State	
33	Appropriation \$	((16,070,000))

1		<u>14,652,000</u>
2	County Criminal Justice Assistance Account--State	
3	Appropriation	\$ ((2,490,000))
4		<u>2,870,000</u>
5	Municipal Criminal Justice Assistance Account--	
6	State Appropriation	\$ ((987,000))
7		<u>1,367,000</u>
8	Fire Service Trust Account--State	
9	Appropriation	\$ 125,000
10	Fire Service Training Account--State	
11	Appropriation	\$ 6,328,000
12	State Toxics Control Account--State	
13	Appropriation	\$ 461,000
14	Violence Reduction and Drug Enforcement Account--	
15	State Appropriation	\$ ((277,000))
16		<u>271,000</u>
17	Fingerprint Identification Account--State	
18	Appropriation	\$ ((3,684,000))
19		<u>5,316,000</u>
20	TOTAL APPROPRIATION	\$ ((68,824,000))
21		<u>69,461,000</u>

22 The appropriations in this section are subject to the following
23 conditions and limitations:

24 (1) \$354,000 of the public safety and education account appropriation
25 is provided solely for additional law enforcement and security coverage on
26 the west capitol campus.

27 (2) When a program within the agency is supported by more than one fund
28 and one of the funds is the state general fund, the agency shall charge its
29 expenditures in such a manner as to ensure that each fund is charged in
30 proportion to its support of the program. The agency may adopt guidelines
31 for the implementation of this subsection. The guidelines may account for
32 federal matching requirements, budget provisos, or other requirements to
33 spend other moneys in a particular manner.

1 (3) \$100,000 of the public safety and education account appropriation
2 is provided solely for the implementation of Substitute Senate Bill No. 5896
3 (DNA testing of evidence). If the bill is not enacted by June 30, 2001, the
4 amount provided in this subsection shall lapse.

5 (4) \$1,419,000 of the public safety and education account--state
6 appropriation is provided solely for combating the proliferation of
7 methamphetamine labs. The amounts in this subsection are provided solely
8 for the following activities: (a) The establishment of a regional
9 methamphetamine enforcement, training, and education program; (b) additional
10 members for the statewide methamphetamine incident response team; and (c)
11 two forensic scientists with the necessary equipment to perform lab analysis
12 in the crime laboratory division.

13 ~~((6) Beginning in fiscal year 2003, the funding provided in this~~
14 ~~subsection assumes a transfer of \$12,634,000 of state patrol expenditures~~
15 ~~from the omnibus operating budget to the transportation budget. If new~~
16 ~~transportation revenue is not enacted before this time, the omnibus budget~~
17 ~~will restore this funding in the 2002 legislative session.))~~

18 (End of part)

PART V
EDUCATION

Sec. 501. 2001 2nd sp.s. c 7 s 501 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION

(1) STATE AGENCY OPERATIONS

General Fund--State Appropriation (FY 2002) . . . \$	((12,357,000))
	<u>12,302,000</u>
General Fund--State Appropriation (FY 2003) . . . \$	((12,266,000))
	<u>11,951,000</u>
General Fund--Federal Appropriation \$	((23,668,000))
	<u>53,760,000</u>
TOTAL APPROPRIATION \$	((48,291,000))
	<u>78,013,000</u>

The appropriations in this section are subject to the following conditions and limitations:

(a) \$11,385,000 of the general fund--state appropriation for fiscal year 2002 and ((~~\$11,394,000~~)) \$11,052,000 of the general fund--state appropriation for fiscal year 2003 are provided solely for the operation and expenses of the office of the superintendent of public instruction. Of this amount, a maximum of \$350,000 is provided in each fiscal year for upgrading information systems including the general apportionment and student information systems.

(b) ((~~\$541,000~~)) \$486,000 of the general fund--state appropriation for fiscal year 2002 and ((~~\$441,000~~)) \$481,000 of the general fund--state appropriation for fiscal year 2003 are provided solely for the operation and expenses of the state board of education, including basic education assistance activities. Of the general fund--state appropriation ((~~for~~ ~~fiscal year 2002~~)), \$100,000 is provided solely for certificate of mastery development and validation.

(c) \$431,000 of the general fund--state appropriation for fiscal year 2002 and (~~(\$431,000)~~) \$418,000 of the general fund--state appropriation for fiscal year 2003 are provided solely for the operation and expenses of the Washington professional educator standards board.

(2) STATEWIDE PROGRAMS

General Fund--State Appropriation (FY 2002) . . . \$	((17,274,000))
	<u>17,280,000</u>
General Fund--State Appropriation (FY 2003) . . . \$	((19,407,000))
	<u>3,948,000</u>
General Fund--Federal Appropriation \$	((213,016,000))
	<u>85,395,000</u>
TOTAL APPROPRIATION \$	((249,697,000))
	<u>106,623,000</u>

The appropriations in this subsection are provided solely for the statewide programs specified in this subsection and are subject to the following conditions and limitations:

(a) HEALTH AND SAFETY

(i) A maximum of \$150,000 of the general fund--state appropriation for fiscal year 2002 (~~and a maximum of \$150,000 of the fiscal year 2003 appropriation are~~) is provided for alcohol and drug prevention programs pursuant to RCW 66.08.180.

(ii) A maximum \$2,621,000 of the general fund--state appropriation for fiscal year 2002 (~~and a maximum of \$2,621,000 of the general fund--state appropriation for fiscal year 2003 are~~) is provided for a corps of nurses located at educational service districts, as determined by the superintendent of public instruction, to be dispatched to the most needy schools to provide direct care to students, health education, and training for school staff.

(iii) A maximum of \$100,000 of the general fund--state appropriation for fiscal year 2002 (~~and a maximum of \$100,000 of the general fund--state appropriation for fiscal year 2003 are~~) is provided to create a school safety center subject to the following conditions and limitations.

(A) The safety center shall: Disseminate successful models of school safety plans and cooperative efforts; provide assistance to schools to

1 establish a comprehensive safe school plan; select models of cooperative
2 efforts that have been proven successful; act as an information
3 dissemination and resource center when an incident occurs in a school
4 district either in Washington or in another state; coordinate activities
5 relating to school safety; review and approve manuals and curricula used for
6 school safety models and training; and develop and maintain a school safety
7 information web site.

8 (B) The school safety center shall be established in the office of the
9 superintendent of public instruction. The superintendent of public
10 instruction shall participate in a school safety center advisory committee
11 that includes representatives of educators, classified staff, principals,
12 superintendents, administrators, the American society for industrial
13 security, the state criminal justice training commission, and others deemed
14 appropriate and approved by the school safety center advisory committee.
15 Members of the committee shall be chosen by the groups they represent. In
16 addition, the Washington association of sheriffs and police chiefs shall
17 appoint representatives of law enforcement to participate on the school
18 safety center advisory committee. The advisory committee shall select a
19 chair.

20 (C) The school safety center advisory committee shall develop a
21 training program, using the best practices in school safety, for all school
22 safety personnel.

23 (iv) A maximum of \$113,000 of the general fund--state appropriation for
24 fiscal year 2002 (~~((and a maximum of \$103,000 of the general fund--state~~
25 ~~appropriation for fiscal year 2003 are))~~ is provided for a school safety
26 training program provided by the criminal justice training commission
27 subject to the following conditions and limitations:

28 (A) The criminal justice training commission with assistance of the
29 school safety center advisory committee established in section 2(b)(iii) of
30 this section shall develop manuals and curricula for a training program for
31 all school safety personnel.

32 (B) The Washington state criminal justice training commission, in
33 collaboration with the advisory committee, shall provide the school safety
34 training for all school administrators and school safety personnel,

1 including school safety personnel hired after the effective date of this
2 section.

3 (v) A maximum of \$250,000 of the general fund--state appropriation for
4 fiscal year 2002 (~~((and a maximum of \$250,000 of the general fund--state~~
5 ~~appropriation for fiscal year 2003 are))~~ is provided for training in school
6 districts regarding the prevention of bullying and harassment. The
7 superintendent of public instruction shall use the funds to develop a model
8 bullying and harassment prevention policy and training materials for school
9 and educational service districts. The information may be disseminated in
10 a variety of ways, including workshops and other staff development
11 activities such as videotape or broadcasts.

12 (vi) A maximum of \$6,042,000 of the general fund--state appropriation
13 for fiscal year 2002 (~~((and a maximum of \$6,028,000 of the general~~
14 ~~fund--state appropriation for fiscal year 2003 are))~~ is provided for a
15 safety allocation to districts subject to the following conditions and
16 limitations:

17 (A) The funds shall be allocated at a maximum rate of \$6.36 per year
18 per full-time equivalent K-12 student enrolled in each school district in
19 the prior school year.

20 (B) Districts shall expend funds allocated under this section to
21 develop and implement strategies identified in a comprehensive safe school
22 plan pursuant to House Bill No. 1818 (student safety) or Senate Bill No.
23 5543 (student safety). If neither bill is enacted by June 30, 2001,
24 expenditures of the safety allocation shall be subject to (i), (ii), and
25 (iii) of this subsection (a)(vi)(B).

26 (i) School districts shall use the funds for school safety purposes and
27 are encouraged to prioritize the use of funds allocated under this section
28 for the development, by September 1, 2002, of school-based comprehensive
29 safe school plans that include prevention, intervention, all-hazards/crisis
30 response, and post crisis recovery components. When developing
31 comprehensive safe school plans, school districts are encouraged to use
32 model school safety plans as developed by the school safety center.
33 Implementation of comprehensive safe school plans may include, but is not
34 limited to, employing or contracting for building security monitors in
35 schools during school hours and school events; research-based early

1 prevention and intervention programs; training for school staff, including
2 security personnel; equipment; school safety hotlines; before, during, and
3 after-school student and staff safety; minor building renovations related
4 to student and staff safety and security; and other purposes identified in
5 the comprehensive safe school plan.

6 (ii) Each school may conduct an evaluation of its comprehensive safe
7 school plan and conduct reviews, drills, or simulated practices in
8 coordination with local fire, law enforcement, and medical emergency
9 management agencies.

10 (iii) By September 1, 2002, school districts shall provide the
11 superintendent of public instruction information regarding the purposes for
12 which the safety allocation funding was used and the status of the
13 comprehensive safe school plans for the schools in the school district.

14 (vii) A maximum of \$200,000 of the general fund--state appropriation
15 for fiscal year 2002 (~~(, a maximum of \$200,000 of the general fund--state~~
16 ~~appropriation for fiscal year 2003,)~~) and \$400,000 of the general fund--
17 federal appropriation transferred from the department of health are provided
18 for a program that provides grants to school districts for media campaigns
19 promoting sexual abstinence and addressing the importance of delaying sexual
20 activity, pregnancy, and childbearing until individuals are ready to nurture
21 and support their children. Grants to the school districts shall be for
22 projects that are substantially designed and produced by students. The
23 grants shall require a local private sector match equal to one-half of the
24 state grant, which may include in-kind contribution of technical or other
25 assistance from consultants or firms involved in public relations,
26 advertising, broadcasting, and graphics or video production or other related
27 fields.

28 (viii) A maximum of \$150,000 of the general fund--state appropriation
29 for fiscal year 2002 (~~(and a maximum of \$150,000 of the general fund--state~~
30 ~~appropriation for fiscal year 2003 are)~~) is provided for a nonviolence and
31 leadership training program provided by the institute for community
32 leadership. The program shall provide the following:

33 (A) Statewide nonviolence leadership coaches training program for
34 certification of educational employees and community members in nonviolence
35 leadership workshops;

1 (B) Statewide leadership nonviolence student exchanges, training, and
2 speaking opportunities for student workshop participants; and

3 (C) A request for proposal process, with up to 80 percent funding, for
4 nonviolence leadership workshops serving at least 12 school districts with
5 direct programming in 36 elementary, middle, and high schools throughout
6 Washington state.

7 (ix) A maximum of \$1,500,000 of the general fund--state appropriation
8 for fiscal year 2002 (~~((and a maximum of \$1,500,000 of the general fund--~~
9 ~~state appropriation for fiscal year 2003 are))~~) is provided for school
10 district petitions to juvenile court for truant students as provided in RCW
11 28A.225.030 and 28A.225.035. Allocation of this money to school districts
12 shall be based on the number of petitions filed.

13 (b) TECHNOLOGY

14 (i) A maximum of \$2,000,000 of the general fund--state appropriation
15 for fiscal year 2002 and a maximum of (~~(\$2,000,000)~~) \$1,940,000 of the
16 general fund--state appropriation for fiscal year 2003 are provided for K-20
17 telecommunications network technical support in the K-12 sector to prevent
18 system failures and avoid interruptions in school utilization of the data
19 processing and video-conferencing capabilities of the network. These funds
20 may be used to purchase engineering and advanced technical support for the
21 network. A maximum of \$650,000 of this amount may be expended for state-
22 level administration and staff training on the K-20 network.

23 (ii) A maximum of \$617,000 of the general fund--state appropriation for
24 fiscal year 2002 (~~((and a maximum of \$1,112,000 of the general fund--state~~
25 ~~appropriation for fiscal year 2003 are))~~) is provided for the Washington
26 state leadership assistance for science education reform (LASER) regional
27 partnership coordinated at the Pacific Science Center.

28 (iii) \$92,000 of the general fund--state appropriation for fiscal year
29 2003 is provided solely for a study of technology in the public schools
30 subject to the following conditions and limitations:

31 (A) The superintendent shall convene a technology in education task
32 force to develop recommendations about the use of technology and
33 recommendations about funding technology in the schools after conducting a
34 study. The study shall focus on the application of technology in grades
35 three through twelve. The study shall be completed not later than November

1 1, 2002, and the recommendations shall be submitted to the education and
2 fiscal committees of the house of representatives and the senate. The study
3 shall include but not be limited to:

4 (1) The technology currently available in schools and school districts.
5 Technology includes but is not limited to computers, local area networks,
6 and access to electronic media on the internet;

7 (2) Methods school districts are using currently to fund technology and
8 recommendations for the future;

9 (3) Plans to update the technology including any replacement schedules;

10 (4) Training in the use of technology;

11 (5) Integration of technology into the curriculum;

12 (6) The different uses of technology in upper elementary grades, middle
13 school, and high school; and

14 (7) Applications of technology in schools in other states and how that
15 technology is funded.

16 (B) The technology in education task force shall consist of the
17 following voting members or their designees: The governor; one member from
18 each major caucus of the senate, appointed by the president of the senate;
19 one member from each major caucus of the house of representatives, appointed
20 by the speaker of the house of representatives; the superintendent of public
21 instruction; the chair of the information services board; one representative
22 of the community and technical colleges, appointed by the state board for
23 community and technical colleges; one educational service district
24 superintendent, one school district superintendent, one principal, and one
25 teacher, each appointed by the superintendent of public instruction; two
26 representatives appointed by the higher education coordinating board; and
27 three representatives of the computer or digital technology industry and
28 three members of the general public, each appointed by the governor. The
29 superintendent of public instruction and the governor, or their designees,
30 shall cochair the task force.

31 (c) GRANTS AND ALLOCATIONS

32 (i) A maximum of \$25,000 of the general fund--state appropriation for
33 fiscal year 2002 and a maximum of (~~(\$1,975,000)~~) \$1,916,000 of the general
34 fund--state appropriation for fiscal year 2003 are provided for Senate Bill
35 No. 5695 (alternative certification routes). If the bill is not enacted by

1 June 30, 2001, the amount provided in this subsection shall lapse. The
2 stipend allocation per teacher candidate and mentor pair shall not exceed
3 \$28,318. The professional educator standards board shall report to the
4 education committees of the legislature by December 15, 2002, on the
5 districts applying for partnership grants, the districts receiving
6 partnership grants, and the number of interns per route enrolled in each
7 district.

8 (ii) A maximum of \$31,500 of the general fund--state appropriation for
9 fiscal year 2002 (~~((and a maximum of \$31,500 of the general fund--state~~
10 ~~appropriation for fiscal year 2003 are))~~ is provided for operation of the
11 Cispus environmental learning center.

12 (iii) A maximum of \$150,000 of the general fund--state appropriation
13 for fiscal year 2002 (~~((and a maximum of \$150,000 of the general fund--state~~
14 ~~appropriation for fiscal year 2003 are))~~ is provided for the Washington
15 civil liberties education program.

16 (iv) A maximum of \$2,150,000 of the general fund--state appropriation
17 for fiscal year 2002 (~~((and a maximum of \$2,150,000 of the general fund--~~
18 ~~state appropriation for fiscal year 2003 are))~~ is provided for complex need
19 grants. The maximum grants for eligible districts are specified in LEAP
20 Document 30C as developed on April 27, 1997, at 03:00 hours.

21 (v) A maximum of \$1,377,000 of the general fund--state appropriation
22 for fiscal year 2002 (~~((and a maximum of \$1,377,000 of the general fund--~~
23 ~~state appropriation for fiscal year 2003 are))~~ is provided for educational
24 centers, including state support activities. (~~(\$100,000)~~ \$50,000 of this
25 amount for fiscal year 2002 is provided to help stabilize funding through
26 distribution among existing education centers that are currently funded by
27 the state at an amount less than (~~(\$100,000 a biennium)~~ \$50,000 a fiscal
28 year).

29 (vi) A maximum of \$50,000 of the general fund--state appropriation for
30 fiscal year 2002 (~~((and a maximum of \$50,000 of the general fund--state~~
31 ~~appropriation for fiscal year 2003 are))~~ is provided for an organization in
32 southwest Washington that received funding from the Spokane educational
33 center in the 1995-97 biennium and provides educational services to students
34 who have dropped out of school.

(vii) A maximum of \$1,262,000 of the general fund--state appropriation for fiscal year 2002 (~~((and a maximum of \$1,262,000 of the general fund--state appropriation for fiscal year 2003 are))~~) is provided for in-service training and educational programs conducted by the Pacific Science Center.

(viii) A maximum of \$100,000 of the general fund--state appropriation for fiscal year 2002 (~~((and a maximum of \$100,000 of the general fund--state appropriation for fiscal year 2003 are))~~) is provided to support vocational student leadership organizations.

(ix) \$9,900,000 of the general fund--federal appropriation is provided for the Washington Reads project to enhance high quality reading instruction and school programs.

(x) A maximum of \$150,000 of the general fund--state appropriation for fiscal year 2002 (~~((and a maximum of \$150,000 of the general fund--state appropriation for fiscal year 2003 are))~~) is provided for the World War II oral history project.

(xi) (~~(\$30,700,000)~~) \$13,942,000 of the general fund--federal appropriation is provided for school renovation grants for school districts with urgent school renovation needs, special education-related renovations, and technology related renovations.

(xii) (~~(\$1,952,000)~~) \$4,962,000 of the general fund--federal appropriation is provided for LINKS technology challenge grants to integrate educational reform with state technology systems and development of technology products that enhance professional development and classroom instruction.

(xiii) (~~(\$423,000)~~) \$536,000 of the general fund--federal appropriation is provided for the advanced placement fee program to increase opportunities for low-income students and under-represented populations to participate in advanced placement courses and to increase the capacity of schools to provide advanced placement courses to students.

(xiv) \$12,318,000 of the general fund--federal appropriation is provided for comprehensive school reform demonstration projects to provide grants to low-income schools for improving student achievement through adoption and implementation of research-based curricula and instructional programs.

(xv) (~~(\$4,228,000)~~) \$2,612,000 of the general fund--federal appropriation is provided for teacher quality enhancement through provision of consortia grants to school districts and higher education institutions to improve teacher preparation and professional development.

Sec. 502. 2001 2nd sp.s. c 7 s 502 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR GENERAL APPORTIONMENT

General Fund--State Appropriation (FY 2002) . . .	\$(3,760,826,000))
	<u>3,786,124,000</u>
General Fund--State Appropriation (FY 2003) . . .	\$(3,751,350,000))
	<u>3,712,397,000</u>
TOTAL APPROPRIATION	\$(7,512,176,000))
	<u>7,498,521,000</u>

The appropriations in this section are subject to the following conditions and limitations:

(1) Each general fund fiscal year appropriation includes such funds as are necessary to complete the school year ending in the fiscal year and for prior fiscal year adjustments.

(2) Allocations for certificated staff salaries for the 2001-02 and 2002-03 school years shall be determined using formula-generated staff units calculated pursuant to this subsection. Staff allocations for small school enrollments in (d) through (f) of this subsection shall be reduced for vocational full-time equivalent enrollments. Staff allocations for small school enrollments in grades K-6 shall be the greater of that generated under (a) of this subsection, or under (d) and (e) of this subsection. Certificated staffing allocations shall be as follows:

(a) On the basis of each 1,000 average annual full-time equivalent enrollments, excluding full-time equivalent enrollment otherwise recognized for certificated staff unit allocations under (c) through (f) of this subsection:

(i) Four certificated administrative staff units per thousand full-time equivalent students in grades K-12;

(ii) 49 certificated instructional staff units per thousand full-time equivalent students in grades K-3;

(iii) Forty-six certificated instructional staff units per thousand full-time equivalent students in grades 4-12; and

(iv) An additional 4.2 certificated instructional staff units for grades K-3 and an additional 7.2 certificated instructional staff units for grade 4. Any funds allocated for the additional certificated units provided in this subsection (iv) shall not be considered as basic education funding;

(v) For class size reduction and expanded learning opportunities under the better schools program, an additional 2.2 certificated instructional staff units for grades K-4 per thousand full-time equivalent students. Funds allocated for these additional certificated units shall not be considered as basic education funding. The allocation may be used for reducing class sizes in grades K-4 or to provide additional classroom contact hours for kindergarten, before-and-after-school programs, weekend school programs, summer school programs, and intercession opportunities to assist elementary school students in meeting the essential academic learning requirements and student assessment performance standards. For purposes of this subsection, additional classroom contact hours provided by teachers beyond the normal school day under a supplemental contract shall be converted to a certificated full-time equivalent by dividing the classroom contact hours by 900.

(A) Funds provided under this subsection (2)(a)(iv) and (v) in excess of the amount required to maintain the statutory minimum ratio established under RCW 28A.150.260(2)(b) shall be allocated only if the district documents an actual ratio equal to or greater than 55.4 certificated instructional staff per thousand full-time equivalent students in grades K-4. For any school district documenting a lower certificated instructional staff ratio, the allocation shall be based on the district's actual grades K-4 certificated instructional staff ratio achieved in that school year, or the statutory minimum ratio established under RCW 28A.150.260(2)(b), if greater;

(B) Districts at or above 51.0 certificated instructional staff per one thousand full-time equivalent students in grades K-4 may dedicate up to 1.3 of the 55.4 funding ratio to employ additional classified instructional

1 assistants assigned to basic education classrooms in grades K-4. For
2 purposes of documenting a district's staff ratio under this section, funds
3 used by the district to employ additional classified instructional
4 assistants shall be converted to a certificated staff equivalent and added
5 to the district's actual certificated instructional staff ratio. Additional
6 classified instructional assistants, for the purposes of this subsection,
7 shall be determined using the 1989-90 school year as the base year;

8 (C) Any district maintaining a ratio equal to or greater than 55.4
9 certificated instructional staff per thousand full-time equivalent students
10 in grades K-4 may use allocations generated under this subsection (2)(a)(iv)
11 and (v) in excess of that required to maintain the minimum ratio established
12 under RCW 28A.150.260(2)(b) to employ additional basic education
13 certificated instructional staff or classified instructional assistants in
14 grades 5-6. Funds allocated under this subsection (2)(a)(iv) and (v) shall
15 only be expended to reduce class size in grades K-6. No more than 1.3 of
16 the certificated instructional funding ratio amount may be expended for
17 provision of classified instructional assistants;

18 (b) For school districts with a minimum enrollment of 250 full-time
19 equivalent students whose full-time equivalent student enrollment count in
20 a given month exceeds the first of the month full-time equivalent enrollment
21 count by 5 percent, an additional state allocation of 110 percent of the
22 share that such increased enrollment would have generated had such
23 additional full-time equivalent students been included in the normal
24 enrollment count for that particular month;

25 (c)(i) On the basis of full-time equivalent enrollment in:

26 (A) Vocational education programs approved by the superintendent of
27 public instruction, a maximum of 0.92 certificated instructional staff units
28 and 0.08 certificated administrative staff units for each 19.5 full-time
29 equivalent vocational students; and

30 (B) Skills center programs meeting the standards for skills center
31 funding established in January 1999 by the superintendent of public
32 instruction, 0.92 certificated instructional staff units and 0.08
33 certificated administrative units for each 16.67 full-time equivalent
34 vocational students; ((and))

(ii) Vocational full-time equivalent enrollment shall be reported on the same monthly basis as the enrollment for students eligible for basic support, and payments shall be adjusted for reported vocational enrollments on the same monthly basis as those adjustments for enrollment for students eligible for basic support; and

(iii) Indirect cost charges by a school district to vocational-secondary programs shall not exceed 15 percent of the combined basic education and vocational enhancement allocations of state funds;

(d) For districts enrolling not more than twenty-five average annual full-time equivalent students in grades K-8, and for small school plants within any school district which have been judged to be remote and necessary by the state board of education and enroll not more than twenty-five average annual full-time equivalent students in grades K-8:

(i) For those enrolling no students in grades 7 and 8, 1.76 certificated instructional staff units and 0.24 certificated administrative staff units for enrollment of not more than five students, plus one-twentieth of a certificated instructional staff unit for each additional student enrolled; and

(ii) For those enrolling students in grades 7 or 8, 1.68 certificated instructional staff units and 0.32 certificated administrative staff units for enrollment of not more than five students, plus one-tenth of a certificated instructional staff unit for each additional student enrolled;

(e) For specified enrollments in districts enrolling more than twenty-five but not more than one hundred average annual full-time equivalent students in grades K-8, and for small school plants within any school district which enroll more than twenty-five average annual full-time equivalent students in grades K-8 and have been judged to be remote and necessary by the state board of education:

(i) For enrollment of up to sixty annual average full-time equivalent students in grades K-6, 2.76 certificated instructional staff units and 0.24 certificated administrative staff units; and

(ii) For enrollment of up to twenty annual average full-time equivalent students in grades 7 and 8, 0.92 certificated instructional staff units and 0.08 certificated administrative staff units;

(f) For districts operating no more than two high schools with enrollments of less than three hundred average annual full-time equivalent students, for enrollment in grades 9-12 in each such school, other than alternative schools:

(i) For remote and necessary schools enrolling students in any grades 9-12 but no more than twenty-five average annual full-time equivalent students in grades K-12, four and one-half certificated instructional staff units and one-quarter of a certificated administrative staff unit;

(ii) For all other small high schools under this subsection, nine certificated instructional staff units and one-half of a certificated administrative staff unit for the first sixty average annual full time equivalent students, and additional staff units based on a ratio of 0.8732 certificated instructional staff units and 0.1268 certificated administrative staff units per each additional forty-three and one-half average annual full time equivalent students.

Units calculated under (f)(ii) of this subsection shall be reduced by certificated staff units at the rate of forty-six certificated instructional staff units and four certificated administrative staff units per thousand vocational full-time equivalent students((÷));

(g) For each nonhigh school district having an enrollment of more than seventy annual average full-time equivalent students and less than one hundred eighty students, operating a grades K-8 program or a grades 1-8 program, an additional one-half of a certificated instructional staff unit; and

(h) For each nonhigh school district having an enrollment of more than fifty annual average full-time equivalent students and less than one hundred eighty students, operating a grades K-6 program or a grades 1-6 program, an additional one-half of a certificated instructional staff unit.

(3) Allocations for classified salaries for the 2001-02 and 2002-03 school years shall be calculated using formula-generated classified staff units determined as follows:

(a) For enrollments generating certificated staff unit allocations under subsection (2)(d) through (h) of this section, one classified staff unit for each three certificated staff units allocated under such subsections;

(b) For all other enrollment in grades K-12, including vocational full-time equivalent enrollments, one classified staff unit for each sixty average annual full-time equivalent students; and

(c) For each nonhigh school district with an enrollment of more than fifty annual average full-time equivalent students and less than one hundred eighty students, an additional one-half of a classified staff unit.

(4) Fringe benefit allocations shall be calculated at a rate of ~~((11.27))~~ 10.76 percent in the 2001-02 school year and ~~((11.27))~~ 9.57 percent in the 2002-03 school year for certificated salary allocations provided under subsection (2) of this section, and a rate of ~~((12.92))~~ 12.73 percent in the 2001-02 school year and ~~((12.92))~~ 12.36 percent in the 2002-03 school year for classified salary allocations provided under subsection (3) of this section.

(5) Insurance benefit allocations shall be calculated at the maintenance rate specified in section 504(3) of this act, based on the number of benefit units determined as follows:

(a) The number of certificated staff units determined in subsection (2) of this section; and

(b) The number of classified staff units determined in subsection (3) of this section multiplied by 1.152. This factor is intended to adjust allocations so that, for the purposes of distributing insurance benefits, full-time equivalent classified employees may be calculated on the basis of 1440 hours of work per year, with no individual employee counted as more than one full-time equivalent.

(6)(a) For nonemployee-related costs associated with each certificated staff unit allocated under subsection (2)(a), (b), and (d) through (h) of this section, there shall be provided a maximum of \$8,519 per certificated staff unit in the 2001-02 school year and a maximum of ~~((\$8,715))~~ \$8,604 per certificated staff unit in the 2002-03 school year.

(b) For nonemployee-related costs associated with each vocational certificated staff unit allocated under subsection (2)(c)(i)(A) of this section, there shall be provided a maximum of \$20,920 per certificated staff unit in the 2001-02 school year and a maximum of ~~((\$21,401))~~ \$21,129 per certificated staff unit in the 2002-03 school year.

1 (c) For nonemployee-related costs associated with each vocational
2 certificated staff unit allocated under subsection (2)(c)(i)(B) of this
3 section, there shall be provided a maximum of \$16,233 per certificated staff
4 unit in the 2001-02 school year and a maximum of (~~(\$16,606)~~) \$16,395 per
5 certificated staff unit in the 2002-03 school year.

6 (7) Allocations for substitute costs for classroom teachers shall be
7 distributed at a maintenance rate of \$494.34 for the 2001-02 and 2002-03
8 school years per allocated classroom teachers exclusive of salary increase
9 amounts provided in section 504 of this act. Solely for the purposes of
10 this subsection, allocated classroom teachers shall be equal to the number
11 of certificated instructional staff units allocated under subsection (2) of
12 this section, multiplied by the ratio between the number of actual basic
13 education certificated teachers and the number of actual basic education
14 certificated instructional staff reported statewide for the prior school
15 year.

16 (8) Any school district board of directors may petition the
17 superintendent of public instruction by submission of a resolution adopted
18 in a public meeting to reduce or delay any portion of its basic education
19 allocation for any school year. The superintendent of public instruction
20 shall approve such reduction or delay if it does not impair the district's
21 financial condition. Any delay shall not be for more than two school years.
22 Any reduction or delay shall have no impact on levy authority pursuant to
23 RCW 84.52.0531 and local effort assistance pursuant to chapter 28A.500 RCW.

24 (9) The superintendent may distribute a maximum of (~~(\$6,510,000)~~)
25 \$3,904,000 outside the basic education formula during fiscal years 2002 and
26 2003 as follows:

27 (a) For fire protection for school districts located in a fire
28 protection district as now or hereafter established pursuant to chapter
29 52.04 RCW, a maximum of \$480,000 may be expended in fiscal year 2002 and a
30 maximum of (~~(\$491,000)~~) \$485,000 may be expended in fiscal year 2003;

31 (b) For summer vocational programs at skills centers, a maximum of
32 \$2,098,000 may be expended (~~(each)~~) for the 2001-02 fiscal year;

33 (c) A maximum of (~~(\$343,000)~~) \$341,000 may be expended for school
34 district emergencies; and

(d) A maximum of \$500,000 (~~(per fiscal year)~~) may be expended in fiscal year 2002 for programs providing skills training for secondary students who are enrolled in extended day school-to-work programs, as approved by the superintendent of public instruction. The funds shall be allocated at a rate not to exceed \$500 per full-time equivalent student enrolled in those programs.

(10) For purposes of RCW 84.52.0531, the increase per full-time equivalent student in state basic education appropriations provided under this act, including appropriations for salary and benefits increases, is 2.5 percent from the 2000-01 school year to the 2001-02 school year, and (~~(3.3)~~) 0.5 percent from the 2000-01 school year to the 2002-03 school year.

(11) If two or more school districts consolidate and each district was receiving additional basic education formula staff units pursuant to subsection (2)(b) through (h) of this section, the following shall apply:

(a) For three school years following consolidation, the number of basic education formula staff units shall not be less than the number of basic education formula staff units received by the districts in the school year prior to the consolidation; and

(b) For the fourth through eighth school years following consolidation, the difference between the basic education formula staff units received by the districts for the school year prior to consolidation and the basic education formula staff units after consolidation pursuant to subsection (2)(a) through (h) of this section shall be reduced in increments of twenty percent per year.

Sec. 503. 2001 2nd sp.s. c 7 s 503 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--BASIC EDUCATION EMPLOYEE COMPENSATION.

(1) The following calculations determine the salaries used in the general fund allocations for certificated instructional, certificated administrative, and classified staff units under section 502 of this act:

(a) For school year 2001-02, salary allocations for certificated instructional staff units shall be determined for each district by multiplying the district's certificated instructional total base salary shown on LEAP Document 12E for the appropriate year, by the district's

1 average staff mix factor for basic education and special education
2 certificated instructional staff in that school year, computed using LEAP
3 Document 1S; (~~and~~)

4 (b) For school year 2002-03, salary allocations for certificated
5 instructional staff units shall be determined for each district by
6 multiplying the district's certificated instructional total base salary
7 shown on LEAP Document 12E for the appropriate year, by the district's
8 average staff mix factor for certificated instructional staff in that school
9 year, computed using LEAP Document 1S; and

10 (c) Salary allocations for certificated administrative staff units and
11 classified staff units for each district shall be based on the district's
12 certificated administrative and classified salary allocation amounts shown
13 on LEAP Document 12E for the appropriate year.

14 (2) For the purposes of this section:

15 (a) "Basic education certificated instructional staff" is defined as
16 provided in RCW 28A.150.100 and "special education certificated staff" means
17 staff assigned to the state-supported special education program pursuant to
18 chapter 28A.155 RCW in positions requiring a certificate;

19 (b) "LEAP Document 1S" means the computerized tabulation establishing
20 staff mix factors for certificated instructional staff according to
21 education and years of experience, as developed by the legislative
22 evaluation and accountability program committee on March 25, 1999, at 16:55
23 hours; and

24 (c) "LEAP Document 12E" means the computerized tabulation of 2001-02
25 and 2002-03 school year salary allocations for certificated administrative
26 staff and classified staff and derived and total base salaries for
27 certificated instructional staff as developed by the legislative evaluation
28 and accountability program committee on (~~March 13, 2001, at 16:32 hours~~)
29 February 14, 2002, at 10:30 hours.

30 (3) Incremental fringe benefit factors shall be applied to salary
31 adjustments at a rate of (~~10.63~~) 10.12 percent for school year(~~s~~) 2001-
32 02 and 8.93 percent for school year 2002-03 for certificated staff and
33 (~~9.42~~) for classified staff 9.23 percent for school year(~~s~~) 2001-02 and
34 8.86 percent for the 2002-03 (~~for classified staff~~) school year.

(4)(a) Pursuant to RCW 28A.150.410, the following state-wide salary allocation schedules for certificated instructional staff are established for basic education salary allocations:

K-12 Salary Schedule for Certificated Instructional Staff
2001-02 School Year

Years of

Service	BA	BA+15	BA+30	BA+45	BA+90
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0	27,467	28,209	28,977	29,746	32,219
1	27,836	28,588	29,366	30,171	32,668
2	28,464	29,231	30,025	30,900	33,414
3	29,401	30,192	31,009	31,931	34,490
4	30,063	30,896	31,727	32,689	35,290
5	30,750	31,595	32,443	33,468	36,085
6	31,147	31,974	32,850	33,928	36,531
7	32,164	33,010	33,909	35,055	37,724
8	33,195	34,088	35,008	36,248	38,954
9		35,205	36,169	37,455	40,223
10			37,344	38,724	41,529
11				40,029	42,895
12				41,293	44,298
13					45,736
14					47,181
15					48,408
16 or more					49,376

Years of

Service	BA+135	MA	MA+45	MA+90 or PHD
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0	33,811	32,931	35,403	36,996
1	34,252	33,297	35,793	37,377
2	35,030	33,995	36,509	38,124
3	36,177	35,027	37,585	39,273
4	37,007	35,755	38,355	40,072
5	37,853	36,503	39,121	40,889
6	38,308	36,904	39,508	41,285

1	7	39,569	38,031	40,700	42,546
2	8	40,867	39,225	41,930	43,843
3	9	42,201	40,430	43,200	45,177
4	10	43,572	41,700	44,505	46,549
5	11	44,979	43,005	45,872	47,956
6	12	46,446	44,362	47,275	49,422
7	13	47,947	45,766	48,712	50,923
8	14	49,505	47,212	50,251	52,481
9	15	50,792	48,439	51,557	53,846
10	16 or more	51,808	49,407	52,589	54,923

11 K-12 Allocation Salary Schedule For Certificated Instructional Staff
12 2002-03 School Year

13 Years of

14 Service	BA	BA+15	BA+30	BA+45	BA+90
15 (0	28,318	29,083	29,875	30,668	33,217
16 1	28,699	29,473	30,276	31,106	33,680
17 2	29,345	30,137	30,955	31,857	34,449
18 3	30,312	31,127	31,970	32,920	35,559
19 4	30,994	31,854	32,710	33,702	36,383
20 5	31,703	32,574	33,448	34,505	37,203
21 6	32,112	32,964	33,868	34,979	37,663
22 7	33,160	34,033	34,959	36,141	38,893
23 8	34,223	35,145	36,092	37,372	40,161
24 9		36,295	37,289	38,616	41,470
25 10			38,501	39,923	42,815
26 11				41,269	44,225
27 12				42,572	45,671
28 13					47,153
29 14					48,642
30 15					49,907
31 16 or more					50,906

32 Years of MA+90
33 Service BA+135 MA MA+45 or PHD

1	0	34,859	33,951	36,500	38,142
2	1	35,313	34,328	36,902	38,535
3	2	36,116	35,048	37,640	39,305
4	3	37,298	36,112	38,750	40,490
5	4	38,153	36,863	39,544	41,314
6	5	39,026	37,634	40,333	42,156
7	6	39,495	38,047	40,732	42,564
8	7	40,795	39,210	41,961	43,864
9	8	42,133	40,440	43,229	45,201
10	9	43,509	41,683	44,538	46,577
11	10	44,922	42,992	45,884	47,991
12	11	46,373	44,337	47,293	49,442
13	12	47,885	45,736	48,739	50,953
14	13	49,432	47,184	50,221	52,501
15	14	51,039	48,675	51,808	54,107
16	15	52,366	49,940	53,155	55,514
17	16 or more	53,413	50,938	54,218	56,624))

18	<u>0</u>	<u>27,989</u>	<u>28,745</u>	<u>29,528</u>	<u>30,312</u>	<u>32,831</u>
19	<u>1</u>	<u>28,365</u>	<u>29,131</u>	<u>29,924</u>	<u>30,745</u>	<u>33,289</u>
20	<u>2</u>	<u>29,004</u>	<u>29,786</u>	<u>30,596</u>	<u>31,487</u>	<u>34,049</u>
21	<u>3</u>	<u>29,960</u>	<u>30,766</u>	<u>31,599</u>	<u>32,538</u>	<u>35,146</u>
22	<u>4</u>	<u>30,634</u>	<u>31,483</u>	<u>32,330</u>	<u>33,311</u>	<u>35,961</u>
23	<u>5</u>	<u>31,334</u>	<u>32,196</u>	<u>33,060</u>	<u>34,104</u>	<u>36,771</u>
24	<u>6</u>	<u>31,739</u>	<u>32,581</u>	<u>33,475</u>	<u>34,572</u>	<u>37,226</u>
25	<u>7</u>	<u>32,775</u>	<u>33,638</u>	<u>34,553</u>	<u>35,721</u>	<u>38,441</u>
26	<u>8</u>	<u>33,826</u>	<u>34,736</u>	<u>35,673</u>	<u>36,937</u>	<u>39,694</u>
27	<u>9</u>		<u>35,874</u>	<u>36,856</u>	<u>38,167</u>	<u>40,988</u>
28	<u>10</u>			<u>38,054</u>	<u>39,459</u>	<u>42,318</u>
29	<u>11</u>				<u>40,789</u>	<u>43,711</u>
30	<u>12</u>				<u>42,078</u>	<u>45,140</u>
31	<u>13</u>					<u>46,605</u>
32	<u>14</u>					<u>48,077</u>
33	<u>15</u>					<u>49,328</u>
34	<u>16 or more</u>					<u>50,314</u>

1	<u>Years of</u>				<u>MA+90</u>
2	<u>Service</u>	<u>BA+135</u>	<u>MA</u>	<u>MA+45</u>	<u>or PHD</u>
3	<u>0</u>	<u>34,454</u>	<u>33,557</u>	<u>36,076</u>	<u>37,699</u>
4	<u>1</u>	<u>34,903</u>	<u>33,929</u>	<u>36,473</u>	<u>38,087</u>
5	<u>2</u>	<u>35,696</u>	<u>34,641</u>	<u>37,203</u>	<u>38,849</u>
6	<u>3</u>	<u>36,864</u>	<u>35,693</u>	<u>38,299</u>	<u>40,019</u>
7	<u>4</u>	<u>37,710</u>	<u>36,435</u>	<u>39,084</u>	<u>40,834</u>
8	<u>5</u>	<u>38,573</u>	<u>37,197</u>	<u>39,864</u>	<u>41,666</u>
9	<u>6</u>	<u>39,037</u>	<u>37,605</u>	<u>40,259</u>	<u>42,069</u>
10	<u>7</u>	<u>40,321</u>	<u>38,754</u>	<u>41,474</u>	<u>43,354</u>
11	<u>8</u>	<u>41,643</u>	<u>39,970</u>	<u>42,727</u>	<u>44,676</u>
12	<u>9</u>	<u>43,003</u>	<u>41,199</u>	<u>44,021</u>	<u>46,036</u>
13	<u>10</u>	<u>44,400</u>	<u>42,492</u>	<u>45,351</u>	<u>47,433</u>
14	<u>11</u>	<u>45,834</u>	<u>43,822</u>	<u>46,744</u>	<u>48,867</u>
15	<u>12</u>	<u>47,328</u>	<u>45,205</u>	<u>48,173</u>	<u>50,361</u>
16	<u>13</u>	<u>48,858</u>	<u>46,636</u>	<u>49,638</u>	<u>51,891</u>
17	<u>14</u>	<u>50,446</u>	<u>48,109</u>	<u>51,206</u>	<u>53,479</u>
18	<u>15</u>	<u>51,758</u>	<u>49,359</u>	<u>52,537</u>	<u>54,869</u>
19	<u>16 or more</u>	<u>52,792</u>	<u>50,346</u>	<u>53,588</u>	<u>55,967</u>

20 (b) As used in this subsection, the column headings "BA+(N)" refer to
21 the number of credits earned since receiving the baccalaureate degree.

22 (c) For credits earned after the baccalaureate degree but before the
23 masters degree, any credits in excess of forty-five credits may be counted
24 after the masters degree. Thus, as used in this subsection, the column
25 headings "MA+(N)" refer to the total of:

26 (i) Credits earned since receiving the masters degree; and

27 (ii) Any credits in excess of forty-five credits that were earned after
28 the baccalaureate degree but before the masters degree.

29 (5) For the purposes of this section:

30 (a) "BA" means a baccalaureate degree.

31 (b) "MA" means a masters degree.

32 (c) "PHD" means a doctorate degree.

(d) "Years of service" shall be calculated under the same rules adopted by the superintendent of public instruction.

(e) "Credits" means college quarter hour credits and equivalent in-service credits computed in accordance with RCW 28A.415.020 and 28A.415.023.

(6) No more than ninety college quarter-hour credits received by any employee after the baccalaureate degree may be used to determine compensation allocations under the state salary allocation schedule and LEAP documents referenced in this act, or any replacement schedules and documents, unless:

(a) The employee has a masters degree; or

(b) The credits were used in generating state salary allocations before January 1, 1992.

(7) The certificated instructional staff base salary specified for each district in LEAP Document 12E and the salary schedule((s)) in subsection (4)(a) of this section for the 2001-02 school year includes three learning improvement days originally added in the 1999-00 school year. A school district is eligible for the learning improvement day funds for school year((s)) 2001-02 ((and 2002-03)), only if three learning improvement days have been added to the 180-day contract year. If fewer than three days are added, the additional learning improvement allocation shall be adjusted accordingly. The additional days shall be for activities related to improving student learning consistent with education reform implementation, and shall not be considered part of basic education. The length of a learning improvement day shall not be less than the length of a full day under the base contract. The superintendent of public instruction shall ensure that school districts adhere to the intent and purposes of this subsection.

(8) The salary allocation schedules established in this section are for allocation purposes only except as provided in RCW 28A.400.200(2).

Sec. 504. 2001 2nd sp.s. c 7 s 504 (uncodified) is amended to read as follows:

**FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR SCHOOL EMPLOYEE
COMPENSATION ADJUSTMENTS**

General Fund--State Appropriation (FY 2002) . . \$ ((124,130,000))

1		<u>124,903,000</u>
2	General Fund--State Appropriation (FY 2003) . . \$	((274,529,000))
3		<u>254,219,000</u>
4	<u>General Fund--Federal Appropriation (FY 2003) . \$</u>	<u>191,000</u>
5	TOTAL APPROPRIATION \$	((398,659,000))
6		<u>379,313,000</u>

7 The appropriations in this section are subject to the following
8 conditions and limitations:

9 (1) ((~~\$318,024,000~~)) A total of \$328,952,000 is provided for a cost of
10 living adjustment for state formula staff units of 3.7 percent effective
11 September 1, 2001, and ((~~another salary adjustment~~)) 3.6 percent effective
12 on September 1, 2002((~~, in a percentage amount to be determined by the 2002~~
13 ~~legislature consistent with the provisions of chapter 4, Laws of 2001~~
14 ~~(Initiative Measure No. 732)~~)). The appropriations include associated
15 incremental fringe benefit allocations at rates of ((~~10.63~~)) 10.12 percent
16 for school year((~~s~~)) 2001-02 and 8.93 percent for school year 2002-03 for
17 certificated staff and ((~~9.42~~)) 9.23 percent for school year((~~s~~)) 2001-02
18 and 8.86 for school year 2002-03 for classified staff.

19 (a) The appropriations in this section include the increased portion of
20 salaries and incremental fringe benefits for all relevant state-funded
21 school programs in part V of this act, in accordance with chapter 4, Laws
22 of 2001 (Initiative Measure No. 732). Salary adjustments for state
23 employees in the office of superintendent of public instruction and the
24 education reform program are provided in part VII of this act. Increases
25 for general apportionment (basic education) are based on the salary
26 allocation schedules and methodology in section 502 of this act. Increases
27 for special education result from increases in each district's basic
28 education allocation per student. Increases for educational service
29 districts and institutional education programs are determined by the
30 superintendent of public instruction using the methodology for general
31 apportionment salaries and benefits in section 502 of this act.

32 (b) The appropriations in this section provide cost-of-living and
33 incremental fringe benefit allocations based on formula adjustments as
34 follows:

	School Year	
	2001-02	2002-03
Pupil Transportation (per weighted pupil mile)	\$ 0.77	\$ ((1.44))
		<u>1.54</u>
Highly Capable (per formula student)	\$((8.75))	\$((16.35))
	<u>8.71</u>	<u>16.53</u>
Transitional Bilingual Education (per eligible bilingual student)	\$((22.73))	\$((42.48))
	<u>22.63</u>	<u>44.29</u>
Learning Assistance (per entitlement unit)	\$((11.23))	\$((20.99))
	<u>11.19</u>	<u>22.13</u>
Substitute Teacher (allocation per teacher, section 502(7))	\$ 18.29	\$ ((34.18))
		<u>36.75</u>

(2) This act appropriates general fund--state funds and other funds for the purpose of providing the annual salary cost-of-living increase required by section 2, chapter 4, Laws of 2001 (Initiative Measure No. 732) for teachers and other school district employees in the state-funded salary base. For employees not included in the state-funded salary base, the annual salary cost-of-living increase may be provided by school districts from the federal funds appropriated in this act and local revenues, including the adjusted levy base as provided in RCW 84.52.053 and section 502 of this act, and state discretionary funds provided under this act.

(3) ((~~\$80,635,000~~)) \$50,361,000 is provided for adjustments to insurance benefit allocations. The maintenance rate for insurance benefit allocations is \$427.73 per month for the 2001-02 and 2002-03 school years. The appropriations in this section provide for a rate increase to \$455.27 per month for the 2001-02 ((~~school year~~)) and ((~~\$493.59 per month for the~~)) 2002-03 school years at the following rates:

	School Year	
	2001-02	2002-03
Pupil Transportation (per weighted pupil mile)	\$ 0.25	\$((0.60))
		<u>0.25</u>

1	Highly Capable (per formula student)	\$ 1.74	\$((4.18))
2			<u>1.70</u>
3	Transitional Bilingual Education (per eligible		
4	bilingual student)	\$ 4.46	\$((10.66))
5			<u>4.46</u>
6	Learning Assistance (per entitlement unit)	\$ 3.51	\$((8.38))
7			<u>3.51</u>

8 (4) The rates specified in this section are subject to revision each
9 year by the legislature.

10 **Sec. 505.** 2001 2nd sp.s. c 7 s 505 (uncodified) is amended to read as
11 follows:

12 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR PUPIL TRANSPORTATION**

13	General Fund--State Appropriation (FY 2002) . . \$	((193,198,000))
14		<u>192,402,000</u>
15	General Fund--State Appropriation (FY 2003) . . \$	((194,293,000))
16		<u>193,293,000</u>
17	TOTAL APPROPRIATION \$	((387,491,000))
18		<u>385,695,000</u>

19 The appropriations in this section are subject to the following
20 conditions and limitations:

21 (1) Each general fund fiscal year appropriation includes such funds as
22 are necessary to complete the school year ending in the fiscal year and for
23 prior fiscal year adjustments.

24 (2) A maximum of \$767,000 of this fiscal year 2002 appropriation and a
25 maximum of ~~((\$785,000))~~ \$752,000 of the fiscal year 2003 appropriation may
26 be expended for regional transportation coordinators and related activities.
27 The transportation coordinators shall ensure that data submitted by school
28 districts for state transportation funding shall, to the greatest extent
29 practical, reflect the actual transportation activity of each district.

30 (3) ~~((\$15,000))~~ \$5,000 of the fiscal year 2002 appropriation and
31 ~~((\$20,000))~~ \$5,000 of the fiscal year 2003 appropriation are provided solely
32 for the transportation of students enrolled in "choice" programs.

Transportation shall be limited to low-income students who are transferring to "choice" programs solely for educational reasons.

(4) Allocations for transportation of students shall be based on reimbursement rates of (~~(\$37.11)~~) \$37.07 per weighted mile in the 2001-02 school year and (~~(\$37.38)~~) \$37.12 per weighted mile in the 2002-03 school year exclusive of salary and benefit adjustments provided in section 504 of this act. Allocations for transportation of students transported more than one radius mile shall be based on weighted miles as determined by superintendent of public instruction multiplied by the per mile reimbursement rates for the school year pursuant to the formulas adopted by the superintendent of public instruction. Allocations for transportation of students living within one radius mile shall be based on the number of enrolled students in grades kindergarten through five living within one radius mile of their assigned school multiplied by the per mile reimbursement rate for the school year multiplied by 1.29.

Sec. 506. 2001 2nd sp.s. c 7 s 507 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR SPECIAL EDUCATION PROGRAMS

General Fund--State Appropriation (FY 2002) . . . \$	((419,264,000))
	<u>420,165,000</u>

General Fund--State Appropriation (FY 2003) . . . \$	((420,644,000))
	<u>408,693,000</u>

General Fund--Federal Appropriation \$	((256,092,000))
	<u>256,407,000</u>

TOTAL APPROPRIATION \$	((1,096,000,000))
	<u>1,085,265,000</u>

The appropriations in this section are subject to the following conditions and limitations:

(1) Funding for special education programs is provided on an excess cost basis, pursuant to RCW 28A.150.390. School districts shall ensure that special education students as a class receive their full share of the general apportionment allocation accruing through sections 502 and 504 of this act. To the extent a school district cannot provide an appropriate

1 education for special education students under chapter 28A.155 RCW through
2 the general apportionment allocation, it shall provide services through the
3 special education excess cost allocation funded in this section.

4 (2)(a) Effective with the 2001-02 school year, the superintendent of
5 public instruction shall change the S-275 personnel reporting system and all
6 related accounting requirements to ensure that:

7 (i) Special education students are basic education students first;

8 (ii) As a class, special education students are entitled to the full
9 basic education allocation; and

10 (iii) Special education students are basic education students for the
11 entire school day.

12 (b) Effective with the 2001-02 school year, the S-275 and accounting
13 changes shall supercede any prior excess cost methodologies and shall be
14 required of all school districts.

15 (3) Each (~~(general fund--state)~~) fiscal year appropriation includes
16 such funds as are necessary to complete the school year ending in the fiscal
17 year and for prior fiscal year adjustments.

18 (4) The superintendent of public instruction shall distribute state
19 funds to school districts based on two categories: The optional birth
20 through age two program for special education eligible developmentally
21 delayed infants and toddlers, and the mandatory special education program
22 for special education eligible students ages three to twenty-one. A
23 "special education eligible student" means a student receiving specially
24 designed instruction in accordance with a properly formulated individualized
25 education program.

26 (5)(a) For the 2001-02 and 2002-03 school years, the superintendent
27 shall (~~(distribute state funds)~~) make allocations to each district based on
28 the sum of:

29 (i) A district's annual average headcount enrollment of developmentally
30 delayed infants and toddlers ages birth through two, multiplied by the
31 district's average basic education allocation per full-time equivalent
32 student, multiplied by 1.15; and

33 (ii) A district's annual average full-time equivalent basic education
34 enrollment multiplied by the funded enrollment percent determined pursuant
35 to subsection (6)(b) of this section, multiplied by the district's average

1 basic education allocation per full-time equivalent student multiplied by
2 0.9309.

3 (b) For purposes of this subsection, "average basic education
4 allocation per full-time equivalent student" for a district shall be based
5 on the staffing ratios required by RCW 28A.150.260 and shall not include
6 enhancements, secondary vocational education, or small schools.

7 (6) The definitions in this subsection apply throughout this section.

8 (a) "Annual average full-time equivalent basic education enrollment"
9 means the resident enrollment including students enrolled through choice
10 (RCW 28A.225.225) and students from nonhigh districts (RCW 28A.225.210) and
11 excluding students residing in another district enrolled as part of an
12 interdistrict cooperative program (RCW 28A.225.250).

13 (b) "Enrollment percent" means the district's resident special
14 education annual average enrollment, excluding the birth through age two
15 enrollment, as a percent of the district's annual average full-time
16 equivalent basic education enrollment.

17 (i) For the 2001-02 ((and the 2002-03)) school year((s)), each
18 district's funded enrollment percent shall be the lesser of the district's
19 actual enrollment percent ((for the school year for which the allocation is
20 being determined)) or 12.7 percent ((for the 2001-02 school year or 13.0
21 percent for the 2002-03 school year)).

22 (ii) For the 2002-03 school year, each district's general fund--state
23 funded special education enrollment shall be the lesser of the district's
24 actual enrollment percent or 12.7 percent. Increases in enrollment percent
25 from 12.7 percent to 13.0 percent shall be funded from the general
26 fund--federal appropriation.

27 (7) At the request of any interdistrict cooperative of at least 15
28 districts in which all excess cost services for special education students
29 of the districts are provided by the cooperative, the maximum enrollment
30 percent shall be ~~((12.7 percent for the 2001-02 school year and 13.0 percent~~
31 ~~for the 2002-03 school year))~~ calculated in accordance with subsection
32 (6)(b) of this section, and shall be calculated in the aggregate rather than
33 individual district units. For purposes of this subsection, the average
34 basic education allocation per full-time equivalent student shall be
35 calculated in the aggregate rather than individual district units.

1 (8) Safety net funding shall be awarded by the state safety net
2 oversight committee subject to the following conditions and limitations

3 (a) A maximum of ((~~\$12,000,000~~)) \$8,500,000 of the general fund--state
4 appropriation and a maximum of \$3,500,000 of the general fund--federal
5 appropriation for fiscal year 2002 ((and a maximum of \$10,623,000 of the
6 general fund--state appropriation for fiscal year 2003)) are provided as
7 safety net funding for districts with demonstrated needs for state special
8 education funding beyond the amounts provided in subsection (5) of this
9 section. ((~~Safety net funding shall be awarded by the state safety net~~
10 ~~oversight committee.~~

11 ~~—(a))~~ (b) The safety net oversight committee shall first consider the
12 needs of districts adversely affected by the 1995 change in the special
13 education funding formula. Awards shall be based on the lesser of the
14 amount required to maintain the 1994-95 state special education excess cost
15 allocation to the school district in aggregate or on a dollar per funded
16 student basis.

17 ~~((b))~~ (c) The committee shall then consider unmet needs for districts
18 that can convincingly demonstrate that all legitimate expenditures for
19 special education exceed all available revenues from state funding formulas.
20 In the determination of need, the committee shall also consider additional
21 available revenues from federal and local sources. Differences in program
22 costs attributable to district philosophy, service delivery choice, or
23 accounting practices are not a legitimate basis for safety net awards.

24 ~~((c))~~ (d) The maximum allowable indirect cost for calculating safety
25 net eligibility may not exceed the federal restricted indirect cost rate for
26 the district plus one percent.

27 ~~((d))~~ (e) Safety net awards shall be adjusted based on the percent of
28 potential medicaid eligible students billed as calculated by the
29 superintendent in accordance with chapter 318, Laws of 1999.

30 ~~((e))~~ (f) Safety net awards must be adjusted for any audit findings
31 or exceptions related to special education funding.

32 ~~((f))~~ (g) The superintendent may expend up to \$120,000 ~~((per year))~~
33 of the amounts provided in this subsection (8) to provide staff assistance
34 to the committee in analyzing applications for safety net funds received by
35 the committee.

1 (9) To the extent necessary, \$2,058,000 of the general fund--state
2 appropriation for fiscal year 2003 and \$10,815,000 of the general fund--
3 federal appropriation are provided for safety net awards for districts with
4 demonstrated needs for state special education funding beyond the amounts
5 provided in subsection (5) of this section. If safety net awards exceed the
6 amount appropriated in this subsection (9), the superintendent shall expend
7 all available federal discretionary funds necessary to meet this need.
8 Safety net funds shall be awarded by the state safety net oversight
9 committee subject to the following conditions and limitations:

10 (a) The committee shall consider unmet needs for districts that can
11 convincingly demonstrate that all legitimate expenditures for special
12 education exceed all available revenues from state funding formulas. In the
13 determination of need, the committee shall also consider additional
14 available revenues from federal and local sources. Differences in program
15 costs attributable to district philosophy, service delivery choice, or
16 accounting practices are not a legitimate basis for safety net awards.

17 (b) The committee shall then consider the extraordinary high cost needs
18 of one or more individual special education students. Differences in costs
19 attributable to district philosophy, service delivery choice, or accounting
20 practices are not a legitimate basis for safety net awards.

21 (c) The maximum allowable indirect cost for calculating safety net
22 eligibility may not exceed the federal restricted indirect cost rate for the
23 district plus one percent.

24 (d) Safety net awards shall be adjusted based on the percent of
25 potential medicaid eligible students billed as calculated by the
26 superintendent in accordance with chapter 318, Laws of 1999.

27 (e) Safety net awards must be adjusted for any audit findings or
28 exceptions related to special education funding.

29 (f) The superintendent may expend up to \$120,000 of the amount provided
30 from the general fund--federal appropriation in this subsection (9) to
31 provide staff assistance to the committee in analyzing applications for
32 safety net funds received by the committee.

33 ~~((+9))~~ (10) The superintendent of public instruction may adopt such
34 rules and procedures as are necessary to administer the special education
35 funding and safety net award process. Prior to revising any standards,

1 procedures, or rules, the superintendent shall consult with the office of
2 financial management and the fiscal committees of the legislature.

3 ~~((+10+))~~ (11) The safety net oversight committee appointed by the
4 superintendent of public instruction shall consist of:

5 (a) One staff from the office of superintendent of public instruction;

6 (b) Staff of the office of the state auditor;

7 (c) Staff of the office of the financial management; and

8 (d) One or more representatives from school districts or educational
9 service districts knowledgeable of special education programs and funding.

10 ~~((+11+))~~ (12) To the extent necessary, ~~(((\$5,500,000))~~ in fiscal year
11 2002, \$2,250,000 of the general fund--federal appropriation shall be
12 expended for safety net funding to meet the extraordinary needs of one or
13 more individual special education students. If safety net awards to meet
14 the extraordinary needs exceed ~~(((\$5,500,000))~~ \$2,250,000 of the general
15 fund--federal appropriation, the superintendent shall expend all available
16 federal discretionary funds necessary to meet this need. General fund--
17 state funds shall not be expended for this purpose.

18 ~~((+12+))~~ (13) A maximum of \$678,000 may be expended from the general
19 fund--state appropriations to fund 5.43 full-time equivalent teachers and
20 2.1 full-time equivalent aides at children's orthopedic hospital and medical
21 center. This amount is in lieu of money provided through the home and
22 hospital allocation and the special education program.

23 ~~((+13+))~~ (14) \$1,000,000 of the general fund--federal appropriation is
24 provided for projects to provide special education students with appropriate
25 job and independent living skills, including work experience where possible,
26 to facilitate their successful transition out of the public school system.
27 The funds provided by this subsection shall be from federal discretionary
28 grants.

29 ~~((+14+))~~ (15) The superintendent shall maintain the percentage of
30 federal flow-through to school districts at 85 percent for the 2001-02
31 school year. For the 2002-03 school year, the superintendent shall allocate
32 the federal funds as specified in this section and shall adjust federal
33 flow-through funds accordingly. In addition to other purposes, school
34 districts may use increased federal funds for high-cost students, for
35 purchasing regional special education services from educational service

districts, and for staff development activities particularly relating to inclusion issues.

~~((15))~~ (16) A maximum of \$1,200,000 of the general fund--federal appropriation may be expended by the superintendent for projects related to use of inclusion strategies by school districts for provision of special education services. The superintendent shall prepare an information database on laws, best practices, examples of programs, and recommended resources. The information may be disseminated in a variety of ways, including workshops and other staff development activities.

~~((16))~~ (17) A school district may carry over from one year to the next year up to 10 percent of general fund--state funds allocated under this program; however, carry over funds shall be expended in the special education program.

(18) The superintendent of public instruction shall implement the recommendations of the joint legislative audit and review committee study on special education (report 01-11) only to the extent that funds have been specifically provided therefor.

Sec. 507. 2001 2nd sp.s. c 7 s 508 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR TRAFFIC SAFETY EDUCATION PROGRAMS

General Fund--State Appropriation (FY 2002) . . \$	((3,595,000))
	<u>3,765,000</u>
General Fund--State Appropriation (FY 2003) . . \$	((2,588,000))
	<u>2,726,000</u>
TOTAL APPROPRIATION \$	((6,183,000))
	<u>6,491,000</u>

The appropriations in this section are subject to the following conditions and limitations:

(1) The appropriations include such funds as are necessary to complete the school year ending in each fiscal year and for prior fiscal year adjustments.

(2) A maximum of \$253,000 of the fiscal year 2002 general fund appropriation and a maximum of (~~(\$254,000)~~) \$246,000 of the fiscal year 2003 general fund appropriation may be expended for regional traffic safety education coordinators.

(3) Allocations to provide tuition assistance for students eligible for free and reduced price lunch who complete the program shall be a maximum of \$203.97 per eligible student in the 2001-02 school year and \$197.85 in the 2002-03 school year(~~(S)~~).

Sec. 508. 2001 2nd sp.s. c 7 s 509 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR EDUCATIONAL SERVICE DISTRICTS

General Fund--State Appropriation (FY 2002) . . \$	((4,768,000))
	<u>4,757,000</u>
General Fund--State Appropriation (FY 2003) . . \$	((4,768,000))
	<u>4,561,000</u>
TOTAL APPROPRIATION \$	((9,536,000))
	<u>9,318,000</u>

The appropriations in this section are subject to the following conditions and limitations:

(1) The educational service districts shall continue to furnish financial services required by the superintendent of public instruction and RCW 28A.310.190 (3) and (4).

(2) \$250,000 of the general fund appropriation for fiscal year (~~(2000)~~) 2002 and (~~(\$250,000)~~) \$243,000 of the general fund appropriation for fiscal year (~~(2001)~~) 2003 are provided solely for student teaching centers as provided in RCW 28A.415.100.

(3) A maximum of \$250,000 of the fiscal year 2002 general fund appropriation and a maximum of (~~(\$250,000)~~) \$243,000 of the fiscal year 2003 general fund appropriation are provided for centers for the improvement of teaching pursuant to RCW 28A.415.010.

Sec. 509. 2001 2nd sp.s. c 7 s 510 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR LOCAL EFFORT ASSISTANCE

General Fund--State Appropriation (FY 2002) . . \$	((136,315,000))
	<u>140,932,000</u>
General Fund--State Appropriation (FY 2003) . . \$	((148,329,000))
	<u>152,744,000</u>
TOTAL APPROPRIATION \$	((284,644,000))
	<u>293,676,000</u>

Sec. 510. 2001 2nd sp.s. c 7 s 511 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR INSTITUTIONAL EDUCATION PROGRAMS

General Fund--State Appropriation (FY 2002) . . \$	((19,133,000))
	<u>19,073,000</u>
General Fund--State Appropriation (FY 2003) . . \$	((19,115,000))
	<u>18,553,000</u>
General Fund--Federal Appropriation \$	8,548,000
TOTAL APPROPRIATION \$	((46,796,000))
	<u>46,174,000</u>

The appropriations in this section are subject to the following conditions and limitations:

(1) Each general fund--state fiscal year appropriation includes such funds as are necessary to complete the school year ending in the fiscal year and for prior fiscal year adjustments.

(2) State funding provided under this section is based on salaries and other expenditures for a 220-day school year. The superintendent of public instruction shall monitor school district expenditure plans for institutional education programs to ensure that districts plan for a full-time summer program.

(3) State funding for each institutional education program shall be based on the institution's annual average full-time equivalent student

enrollment. Staffing ratios for each category of institution shall remain the same as those funded in the 1995-97 biennium.

(4) The funded staffing ratios for education programs for juveniles age 18 or less in department of corrections facilities shall be the same as those provided in the 1997-99 biennium.

(5) \$141,000 of the general fund--state appropriation for fiscal year 2002 and \$139,000 of the general fund--state appropriation for fiscal year 2003 are provided solely to maintain at least one certificated instructional staff and related support services at an institution whenever the K-12 enrollment is not sufficient to support one full-time equivalent certificated instructional staff to furnish the educational program. The following types of institutions are included: Residential programs under the department of social and health services for developmentally disabled juveniles, programs for juveniles under the department of corrections, and programs for juveniles under the juvenile rehabilitation administration

(6) Ten percent of the funds allocated for each institution may be carried over from one year to the next.

Sec. 511. 2001 2nd sp.s. c 7 s 512 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR PROGRAMS FOR HIGHLY CAPABLE STUDENTS

General Fund--State Appropriation (FY 2002) . . \$	((6,443,000))
	<u>6,470,000</u>
General Fund--State Appropriation (FY 2003) . . \$	((6,397,000))
	<u>6,194,000</u>
TOTAL APPROPRIATION \$	((12,840,000))
	<u>12,664,000</u>

The appropriations in this section are subject to the following conditions and limitations:

(1) Each general fund fiscal year appropriation includes such funds as are necessary to complete the school year ending in the fiscal year and for prior fiscal year adjustments.

(2) Allocations for school district programs for highly capable students shall be distributed at a maximum rate of (~~(\$328.10)~~) \$327.22 per funded student for the 2001-02 school year and (~~(\$328.05)~~) \$310.75 per funded student for the 2002-03 school year, exclusive of salary and benefit adjustments pursuant to section 504 of this act. The number of funded students shall be a maximum of two percent of each district's full-time equivalent basic education enrollment.

(3) \$175,000 of the fiscal year 2002 appropriation and (~~(\$175,000)~~) \$170,000 of the fiscal year 2003 appropriation are provided for the centrum program at Fort Worden state park.

(4) \$93,000 of the fiscal year 2002 appropriation and (~~(\$93,000)~~) \$90,000 of the fiscal year 2003 appropriation are provided for the Washington imagination network and future problem-solving programs.

Sec. 512. 2001 2nd sp.s. c 7 s 513 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR MISCELLANEOUS PURPOSES UNDER THE ELEMENTARY AND SECONDARY SCHOOL IMPROVEMENT ACT AND THE NO CHILD LEFT BEHIND ACT

General Fund--Federal Appropriation	\$	((288,166,000))
		<u>201,737,000</u>

Sec. 513. 2001 2nd sp.s. c 7 s 514 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--EDUCATION REFORM PROGRAMS

General Fund--State Appropriation (FY 2002)	\$	((35,882,000))
		<u>35,880,000</u>
General Fund--State Appropriation (FY 2003)	\$	((36,363,000))
		<u>20,423,000</u>
General Fund--Federal Appropriation	\$	((3,000,000))
		<u>60,571,000</u>
TOTAL APPROPRIATION	\$	((75,245,000))
		<u>116,874,000</u>

The appropriations in this section are subject to the following conditions and limitations:

(1) \$322,000 of the general fund--state appropriation for fiscal year 2002 and (~~(\$322,000)~~) \$312,000 of the general fund--state appropriation for fiscal year 2003 are provided solely for the academic achievement and accountability commission.

(2) \$11,209,000 of the general fund--state appropriation for fiscal year 2002, (~~(\$10,872,000)~~) \$8,872,000 of the general fund--state appropriation for fiscal year 2003, and (~~(\$3,000,000)~~) \$5,000,000 of the general fund--federal appropriation are provided for development and implementation of the Washington assessments of student learning. Up to \$689,000 of the appropriation may be expended for data analysis and data management of test results.

(3) \$1,095,000 of the fiscal year 2002 general fund--state appropriation (~~(and \$1,095,000 of the fiscal year 2003 general fund--state appropriation are)~~) is provided solely for training of paraprofessional classroom assistants and certificated staff who work with classroom assistants as provided in RCW 28A.415.310.

(4) \$4,695,000 of the general fund--state appropriation for fiscal year 2002 (~~(and \$4,695,000 of the general fund--state appropriation for fiscal year 2003 are)~~) is provided solely for mentor teacher assistance, including state support activities, under RCW 28A.415.250 and 28A.415.260, and for a mentor academy. Up to \$200,000 of the amount in this subsection may be used (~~(each fiscal year)~~) to operate a mentor academy to help districts provide effective training for peer mentors. Funds for the teacher assistance program shall be allocated to school districts based on the number of first year beginning teachers.

(a) A teacher assistance program is a program that provides to a first year beginning teacher peer mentor services that include but are not limited to:

(i) An orientation process and individualized assistance to help beginning teachers who have been hired prior to the start of the school year prepare for the start of a school year;

(ii) The assignment of a peer mentor whose responsibilities to the beginning teacher include but are not limited to constructive feedback, the

1 modeling of instructional strategies, and frequent meetings and other forms
2 of contact;

3 (iii) The provision by peer mentors of strategies, training, and
4 guidance in critical areas such as classroom management, student discipline,
5 curriculum management, instructional skill, assessment, communication
6 skills, and professional conduct. A district may provide these components
7 through a variety of means including one-on-one contact and workshops
8 offered by peer mentors to groups, including cohort groups, of beginning
9 teachers;

10 (iv) The provision of release time, substitutes, mentor training in
11 observation techniques, and other measures for both peer mentors and
12 beginning teachers, to allow each an adequate amount of time to observe the
13 other and to provide the classroom experience that each needs to work
14 together effectively;

15 (v) Assistance in the incorporation of the essential academic learning
16 requirements into instructional plans and in the development of complex
17 teaching strategies, including strategies to raise the achievement of
18 students with diverse learning styles and backgrounds; and

19 (vi) Guidance and assistance in the development and implementation of
20 a professional growth plan. The plan shall include a professional self-
21 evaluation component and one or more informal performance assessments. A
22 peer mentor may not be involved in any evaluation under RCW 28A.405.100 of
23 a beginning teacher whom the peer mentor has assisted through this program.

24 (b) In addition to the services provided in (a) of this subsection, an
25 eligible peer mentor program shall include but is not limited to the
26 following components:

27 (i) Strong collaboration among the peer mentor, the beginning teacher's
28 principal, and the beginning teacher;

29 (ii) Stipends for peer mentors and, at the option of a district, for
30 beginning teachers. The stipends shall not be deemed compensation for the
31 purposes of salary lid compliance under RCW 28A.400.200 and are not subject
32 to the continuing contract provisions of Title 28A RCW; and

33 (iii) To the extent that resources are available for this purpose and
34 that assistance to beginning teachers is not adversely impacted, the program

1 may serve second year and more experienced teachers who request the
2 assistance of peer mentors.

3 (5) \$2,025,000 of the general fund--state appropriation for fiscal year
4 2002 and (~~(\$2,025,000)~~) \$1,964,000 of the general fund--state appropriation
5 for fiscal year 2003 are provided for improving technology infrastructure,
6 monitoring and reporting on school district technology development,
7 promoting standards for school district technology, promoting statewide
8 coordination and planning for technology development, and providing regional
9 educational technology support centers, including state support activities,
10 under chapter 28A.650 RCW. The superintendent of public instruction shall
11 coordinate a process to facilitate the evaluation and provision of online
12 curriculum courses to school districts which includes the following:
13 Creation of a general listing of the types of available online curriculum
14 courses; a survey conducted by each regional educational technology support
15 center of school districts in its region regarding the types of online
16 curriculum courses desired by school districts; a process to evaluate and
17 recommend to school districts the best online courses in terms of
18 curriculum, student performance, and cost; and assistance to school
19 districts in procuring and providing the courses to students.

20 (6) \$3,600,000 of the general fund--state appropriation for fiscal year
21 2002 (~~(and \$3,600,000 of the general fund--state appropriation for fiscal~~
22 ~~year 2003 are)~~) is provided for grants to school districts to provide a
23 continuum of care for children and families to help children become ready
24 to learn. Grant proposals from school districts shall contain local plans
25 designed collaboratively with community service providers. If a continuum
26 of care program exists in the area in which the school district is located,
27 the local plan shall provide for coordination with existing programs to the
28 greatest extent possible. Grant funds shall be allocated pursuant to RCW
29 70.190.040.

30 (7) \$2,500,000 of the general fund--state appropriation for fiscal year
31 2002 and \$2,500,000 of the general fund--state appropriation for fiscal year
32 2003 are provided solely for the meals for kids program under RCW
33 28A.235.145 through 28A.235.155.

34 (8) \$1,409,000 of the general fund--state appropriation for fiscal year
35 2002 (~~(and \$1,409,000 of the general fund--state appropriation for fiscal~~

1 ~~year 2003 are~~) is provided solely for the leadership internship program for
2 superintendents, principals, and program administrators.

3 (9) \$1,828,000 of the general fund--state appropriation for fiscal year
4 2002 (~~and \$1,828,000 of the general fund--state appropriation for fiscal~~
5 ~~year 2003 are~~) is provided solely for the mathematics helping corps subject
6 to the following conditions and limitations:

7 (a) In order to increase the availability and quality of technical
8 mathematics assistance statewide, the superintendent of public instruction
9 shall employ mathematics school improvement specialists to provide
10 assistance to schools and districts. The specialists shall be hired by and
11 work under the direction of a statewide school improvement coordinator. The
12 mathematics improvement specialists shall serve on a rotating basis from one
13 to three years and shall not be permanent employees of the superintendent
14 of public instruction.

15 (b) The school improvement specialists shall provide the following:

16 (i) Assistance to schools to disaggregate student performance data and
17 develop improvement plans based on those data;

18 (ii) Consultation with schools and districts concerning their
19 performance on the Washington assessment of student learning and other
20 assessments emphasizing the performance on the mathematics assessments;

21 (iii) Consultation concerning curricula that aligns with the essential
22 academic learning requirements emphasizing the academic learning
23 requirements for mathematics, the Washington assessment of student learning,
24 and meets the needs of diverse learners;

25 (iv) Assistance in the identification and implementation of research-
26 based instructional practices in mathematics;

27 (v) Staff training that emphasizes effective instructional strategies
28 and classroom-based assessment for mathematics;

29 (vi) Assistance in developing and implementing family and community
30 involvement programs emphasizing mathematics; and

31 (vii) Other assistance to schools and school districts intended to
32 improve student mathematics learning.

33 (10) A maximum of \$500,000 of the general fund--state appropriation for
34 fiscal year 2002 and a maximum of (~~(\$500,000)~~) \$485,000 of the general
35 fund--state appropriation for fiscal year 2003 are provided for summer

1 accountability institutes offered by the superintendent of public
2 instruction and the academic achievement and accountability commission. The
3 institutes shall provide school district staff with training in the analysis
4 of student assessment data, information regarding successful district and
5 school teaching models, research on curriculum and instruction, and planning
6 tools for districts to improve instruction in reading, mathematics, language
7 arts, and guidance and counseling.

8 (11) \$3,930,000 of the general fund--state appropriation for fiscal
9 year 2002 and (~~(\$3,829,000)~~) \$3,714,000 of the general fund--state
10 appropriation for fiscal year 2003 are provided solely for the Washington
11 reading corps subject to the following conditions and limitations:

12 (a) Grants shall be allocated to schools and school districts to
13 implement proven, research-based mentoring and tutoring programs in reading
14 for low-performing students in grades K-6. If the grant is made to a school
15 district, the principals of schools enrolling targeted students shall be
16 consulted concerning design and implementation of the program.

17 (b) The programs may be implemented before, after, or during the
18 regular school day, or on Saturdays, summer, intercessions, or other
19 vacation periods.

20 (c) Two or more schools may combine their Washington reading corps
21 programs.

22 (d) A program is eligible for a grant if it meets the following
23 conditions:

24 (i) The program employs methods of teaching and student learning based
25 on reliable reading/literacy research and effective practices;

26 (ii) The program design is comprehensive and includes instruction, on-
27 going student assessment, professional development, parental/community
28 involvement, and program management aligned with the school's reading
29 curriculum;

30 (iii) It provides quality professional development and training for
31 teachers, staff, and volunteer mentors and tutors;

32 (iv) It has measurable goals for student reading aligned with the
33 essential academic learning requirements; and

34 (v) It contains an evaluation component to determine the effectiveness
35 of the program.

(e) Funding priority shall be given to low-performing schools.

(f) Beginning and end-of-program testing data shall be available to determine the effectiveness of funded programs and practices. Common evaluative criteria across programs, such as grade-level improvements shall be available for each reading corps program. The superintendent of public instruction shall provide program evaluations to the governor and the appropriate committees of the legislature. Administrative and evaluation costs may be assessed from the annual appropriation for the program.

(g) Grants provided under this section may be used by schools and school districts for expenditures from September 2001 through August 31, 2003.

(12) (~~(\$377,000)~~) \$375,000 of the general fund--state appropriation for fiscal year 2002 and (~~(\$701,000)~~) \$655,000 of the general fund--state appropriation for fiscal year 2003 are provided solely for salary bonuses for teachers who attain certification by the national board for professional teaching standards.

(~~(b)~~) (a) In the 2002-03 school year, teachers who have attained certification by the national board in the 2000-01 school year or the 2001-02 school year or the 2002-03 school year shall receive an annual bonus not to exceed \$3,500.

(~~(c)~~) (b) The annual bonus shall be paid in a lump sum amount and shall not be included in the definition of "earnable compensation" under RCW 41.32.010(10).

(~~(d)~~) (c) It is the intent of the legislature that teachers achieving certification by the national board of professional teaching standards will receive no more than three annual bonus payments for attaining certification by the national board.

(13) \$625,000 of the general fund--state appropriation for fiscal year 2002 (~~and \$625,000 of the general fund--state appropriation for fiscal year 2003 are~~) is provided for a principal support program. The office of the superintendent of public instruction may contract with an independent organization to administer the program. The program shall include: (a) Development of an individualized professional growth plan for a new principal or principal candidate; and (b) participation of a mentor principal who works over a period of between one and three years with the

1 new principal or principal candidate to help him or her build the skills
2 identified as critical to the success of the professional growth plan.

3 (14) \$71,000 of the general fund--state appropriation for fiscal year
4 2002 and \$71,000 of the general fund--state appropriation for fiscal year
5 2003 are provided solely for the second grade reading test. The funds shall
6 be expended for assessment training for new second grade teachers and
7 replacement of assessment materials.

8 (15) \$384,000 of the general fund--state appropriation for fiscal year
9 2002 (~~((and \$384,000 of the general fund--state appropriation for fiscal year~~
10 ~~2003 are))~~) is provided for the superintendent to assist schools in
11 implementing high academic standards, aligning curriculum with these
12 standards, and training teachers to use assessments to improve student
13 learning. Funds may also be used to increase community and parental
14 awareness of education reform.

15 (16) \$130,000 of the general fund--state appropriation for fiscal year
16 2002 and (~~(\$130,000)~~) \$126,000 of the general fund--state appropriation for
17 fiscal year 2003 are provided for the development and posting of web-based
18 instructional tools, assessment data, and other information that assists
19 schools and teachers implementing higher academic standards.

20 (17) \$1,000,000 of the general fund--state appropriation for fiscal
21 year 2002 and (~~(\$1,800,000)~~) \$1,746,000 of the general fund--state
22 appropriation for fiscal year 2003 are provided solely to the office of the
23 superintendent of public instruction for focused assistance. The office of
24 the superintendent of public instruction shall conduct educational audits
25 of low-performing schools and enter into performance agreements between
26 school districts and the office to implement the recommendations of the
27 audit and the community. Of the amounts provided, \$219,000 of the fiscal
28 year 2002 appropriation and (~~(\$207,000)~~) \$201,000 of the fiscal year 2003
29 appropriation are provided to the office of the superintendent of public
30 instruction for the administrative duties arising under this subsection.
31 Each educational audit shall include recommendations for best practices and
32 ways to address identified needs and shall be presented to the community in
33 a public meeting to seek input on ways to implement the audit and its
34 recommendations.

(18) \$100,000 of the general fund--state appropriation for fiscal year 2002 is provided solely for grants to school districts to adopt or revise district-wide and school-level plans to achieve performance improvement goals established under RCW 28A.655.030, and to post a summary of the improvement plans on district websites using a common format provided by the office of the superintendent of public instruction.

(19) \$100,000 of the general fund--state appropriation for fiscal year 2002 is provided solely for recognition plaques for schools that successfully met the fourth grade reading improvement goal established under RCW 28A.655.050.

Sec. 514. 2001 2nd sp.s. c 7 s 515 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR TRANSITIONAL BILINGUAL PROGRAMS

General Fund--State Appropriation (FY 2002) . . \$	((43,044,000))
	<u>42,767,000</u>
General Fund--State Appropriation (FY 2003) . . \$	((45,171,000))
	<u>44,407,000</u>
<u>General Fund--Federal Appropriation (FY 2003) . \$</u>	<u>20,280,000</u>
TOTAL APPROPRIATION \$	((88,215,000))
	<u>107,454,000</u>

The appropriations in this section are subject to the following conditions and limitations:

(1) Each general fund fiscal year appropriation includes such funds as are necessary to complete the school year ending in the fiscal year and for prior fiscal year adjustments.

(2) The superintendent shall distribute a maximum of ((~~\$687.19~~)) \$684.36 per eligible bilingual student in the 2001-02 school year and ((~~\$687.19~~)) \$668.58 in the 2002-03 school year, exclusive of salary and benefit adjustments provided in section 504 of this act.

(3) The superintendent may withhold up to \$295,000 in school year 2001-02 and up to \$268,000 in school year 2002-03, and adjust the per eligible pupil rates in subsection (2) of this section accordingly, for the central

provision of assessments as provided in section 2(1) and (2) of Engrossed Second Substitute House Bill No. 2025.

(4) \$70,000 of the amounts appropriated in this section are provided solely to develop a system for the tracking of current and former transitional bilingual program students.

(5) Sufficient funding is provided to implement Engrossed Second Substitute House Bill No. 2025 (schools/bilingual instruction).

Sec. 515. 2001 2nd sp.s. c 7 s 516 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR THE LEARNING ASSISTANCE PROGRAM

General Fund--State Appropriation (FY 2002) . . \$	((70,593,000))
	<u>71,342,000</u>
General Fund--State Appropriation (FY 2003) . . \$	((68,817,000))
	<u>64,400,000</u>
<u>General Fund--Federal Appropriation (FY 2003) . \$</u>	<u>130,631,000</u>
TOTAL APPROPRIATION \$	((139,410,000))
	<u>266,373,000</u>

The general fund--state appropriations in this section are subject to the following conditions and limitations:

(1) Each general fund--state fiscal year appropriation includes such funds as are necessary to complete the school year ending in the fiscal year and for prior fiscal year adjustments.

(2) Funding for school district learning assistance programs shall be allocated at maximum rates of ((~~\$408.38~~)) \$407.39 per funded unit for the 2001-02 school year and ((~~\$409.41~~)) \$403.06 per funded unit for the 2002-03 school year exclusive of salary and benefit adjustments provided under section 504 of this act.

(3) For purposes of this section, "test results" refers to the district results from the norm-referenced test administered in the specified grade level. The norm-referenced test results used for the third and sixth grade calculations shall be consistent with the third and sixth grade tests required under RCW 28A.230.190 and 28A.230.193.

(4) A school district's general fund--state funded units for the 2001-02 (~~(and 2002-03)~~) school year(~~(s)~~) shall be the sum of the following:

(a) The district's full-time equivalent enrollment in grades K-6, multiplied by the 5-year average 4th grade lowest quartile test results as adjusted for funding purposes in the school years prior to 1999-2000, multiplied by 0.92. As the 3rd grade test becomes available, it shall be phased into the 5-year average on a 1-year lag; and

(b) The district's full-time equivalent enrollment in grades 7-9, multiplied by the 5-year average 8th grade lowest quartile test results as adjusted for funding purposes in the school years prior to 1999-2000, multiplied by 0.92. As the 6th grade test becomes available, it shall be phased into the 5-year average for these grades on a 1-year lag; and

(c) The district's full-time equivalent enrollment in grades 10-11 multiplied by the 5-year average 11th grade lowest quartile test results, multiplied by 0.92. As the 9th grade test becomes available, it shall be phased into the 5-year average for these grades on a 1-year lag; and

(d) If, in the prior school year, the district's percentage of October headcount enrollment in grades K-12 eligible for free and reduced price lunch exceeded the state average, subtract the state average percentage of students eligible for free and reduced price lunch from the district's percentage and multiply the result by the district's K-12 annual average full-time equivalent enrollment for the current school year multiplied by 22.3 percent.

(5)(a) A school district's general fund--state funded units for the 2002-03 school year shall be the sum of the following:

(i) The district's full-time equivalent enrollment in grades K-6, multiplied by the 5-year average 4th grade lowest quartile test results as adjusted for funding purposes in the school years prior to 1999-2000, multiplied by 0.82. As the 3rd grade test becomes available, it shall be phased into the 5-year average on a 1-year lag;

(ii) The district's full-time equivalent enrollment in grades 7-9, multiplied by the 5-year average 8th grade lowest quartile test results as adjusted for funding purposes in the school years prior to 1999-2000, multiplied by 0.82. As the 6th grade test becomes available, it shall be phased into the 5-year average for these grades on a 1-year lag; and

(iii) The district's full-time equivalent enrollment in grades 10-11 multiplied by the 5-year average 11th grade lowest quartile test results, multiplied by 0.82. As the 9th grade test becomes available, it shall be phased into the 5-year average for these grades on a 1-year lag; and

(iv) If, in the prior school year, the district's percentage of October headcount enrollment in grades K-12 eligible for free and reduced price lunch exceeded the state average, subtract the state average percentage of students eligible for free and reduced price lunch from the district's percentage and multiply the result by the district's K-12 annual average full-time equivalent enrollment for the current school year multiplied by 22.3 percent.

(b) In addition to amounts allocated under (a) of this subsection, the superintendent shall provide additional amounts as follows:

(i) For school districts receiving less than a 3.0 percent increase in federal Title I Part A (basic program) funds, the multiplier in (a)(i), (ii), and (iii) of this subsection shall be .92;

(ii) For school districts not eligible for additional funds under (b)(i) of this subsection, and whose effective increase in federal Title I Part A (basic program) funds is less than 3.0 percent after taking into account the change in the multiplier from .92 to .82, an additional amount to provide a 3.0 percent increase.

(6) School districts may carry over from one year to the next up to 10 percent of general fund--state funds allocated under this program; however, carryover funds shall be expended for the learning assistance program.

Sec. 516. 2001 2nd sp.s. c 7 s 517 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--LOCAL ENHANCEMENT FUNDS

General Fund--State Appropriation (FY 2002) . . \$ ((~~19,515,000~~))
19,663,000

General Fund--State Appropriation (FY 2003) . . \$ ((~~17,516,000~~))
3,541,000

TOTAL APPROPRIATION \$ ((~~37,031,000~~))
23,204,000

1 The appropriations in this section are subject to the following
2 conditions and limitations:

3 (1) Each general fund fiscal year appropriation includes such funds as
4 are necessary to complete the school year ending in the fiscal year and for
5 prior fiscal year adjustments.

6 (2) Funds are provided for local education program enhancements to meet
7 educational needs as identified by the school district, including
8 alternative education programs.

9 (3) Allocations for the 2001-02 school year shall be at a maximum
10 annual rate of \$18.48 per full-time equivalent student (~~((and \$18.48 per~~
11 ~~full-time equivalent student for the 2002-03 school year))~~). Allocations
12 shall be made on the monthly apportionment payment schedule provided in RCW
13 28A.510.250 and shall be based on school district annual average full-time
14 equivalent enrollment in grades kindergarten through twelve: PROVIDED, That
15 for school districts enrolling not more than one hundred average annual
16 full-time equivalent students, and for small school plants within any school
17 district designated as remote and necessary schools, the allocations shall
18 be as follows:

19 (a) Enrollment of not more than sixty average annual full-time
20 equivalent students in grades kindergarten through six shall generate
21 funding based on sixty full-time equivalent students;

22 (b) Enrollment of not more than twenty average annual full-time
23 equivalent students in grades seven and eight shall generate funding based
24 on twenty full-time equivalent students; and

25 (c) Enrollment of not more than sixty average annual full-time
26 equivalent students in grades nine through twelve shall generate funding
27 based on sixty full-time equivalent students.

28 (4) Funding provided pursuant to this section does not fall within the
29 definition of basic education for purposes of Article IX of the state
30 Constitution and the state's funding duty thereunder.

31 (5) The superintendent shall not allocate up to one-fourth of a
32 district's funds under this section if:

33 (a) The district is not maximizing federal matching funds for medical
34 services provided through special education programs, pursuant to RCW
35 74.09.5241 through 74.09.5256 (Title XIX funding); or

(b) The district is not in compliance in filing truancy petitions as required under chapter 312, Laws of 1995 and RCW 28A.225.030.

NEW SECTION. **Sec. 517.** A new section is added to 2001 2nd sp.s. c 7 (uncodified) to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--STATE FLEXIBLE EDUCATION FUNDS
General Fund--State Appropriation (FY 2003) . . \$ 34,436,000

The appropriation in this section is subject to the following conditions and limitations:

(1) State flexible education funds for the 2002-03 school year shall be allocated at a maximum rate of \$36.00 per full-time equivalent student in grades K-12. For the purpose of this section, "FTE student" refers to the annual average full-time equivalent enrollment of the school district in grades kindergarten through twelve for the prior school year. The funds shall be distributed to school districts at ten percent per month for the months of September through June.

(2) Funds are provided for local education program enhancements to improve student learning as identified by each school district, including the following programs: Alternative education programs; paraprofessional training; readiness-to-learn; mentor/beginning teacher assistance; principal assessment and mentorships; superintendent and principal internships; mathematics helping corps; anti-bullying/harassment training; nonviolence leadership training; nursing support; school safety and school safety training; school safety center; Teen Aware; truancy; LASER science program; Cispus; contracting with educational centers; Pacific Science Center programs; civil liberties education; World War II oral history project; summer skills center programs; and extended day skills center.

(3) Funds provided under this section shall not be used for salary increases or additional compensation for existing teaching duties.

(4) Funding provided under this section does not fall within the definition of basic education for purposes of Article IX of the state Constitution.

Sec. 518. 2001 2nd sp.s. c 7 s 519 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR STUDENT ACHIEVEMENT PROGRAM

Student Achievement Fund--State

Appropriation (FY 2002)	\$	((184,232,000))
		<u>180,837,000</u>

Student Achievement Fund--State

Appropriation (FY 2003)	\$	((209,068,000))
		<u>210,312,000</u>

TOTAL APPROPRIATION	\$	((393,300,000))
		<u>391,149,000</u>

The appropriations in this section are subject to the following conditions and limitations:

(1) The appropriation is allocated for the following uses as specified in chapter 28A.505 RCW as amended by chapter 3, Laws of 2001 (Initiative Measure No. 728):

(a) To reduce class size by hiring certificated elementary classroom teachers in grades K-4 and paying nonemployee-related costs associated with those new teachers;

(b) To make selected reductions in class size in grades 5-12, such as small high school writing classes;

(c) To provide extended learning opportunities to improve student academic achievement in grades K-12, including, but not limited to, extended school year, extended school day, before-and-after-school programs, special tutoring programs, weekend school programs, summer school, and all-day kindergarten;

(d) To provide additional professional development for educators including additional paid time for curriculum and lesson redesign and alignment, training to ensure that instruction is aligned with state standards and student needs, reimbursement for higher education costs related to enhancing teaching skills and knowledge, and mentoring programs to match teachers with skilled, master teachers. The funding shall not be

used for salary increases or additional compensation for existing teaching duties, but may be used for extended year and extend day teaching contracts;

(e) To provide early assistance for children who need prekindergarten support in order to be successful in school; or

(f) To provide improvements or additions to school building facilities which are directly related to the class size reductions and extended learning opportunities under (a) through (c) of this subsection.

(2) Funding for school district student achievement programs shall be allocated at a maximum rate of (~~(\$193.92)~~) \$190.19 per FTE student for the 2001-02 school year and (~~(\$220.59)~~) \$219.84 per FTE student for the 2002-03 school year. For the purposes of this section and in accordance with (~~RCW 84.52.---~~ ~~(section 5 of Initiative Measure No. 728)~~) RCW 84.52.068, FTE student refers to the annual average full-time equivalent enrollment of the school district in grades kindergarten through twelve for the prior school year.

(3) The office of the superintendent of public instruction shall distribute ten percent of the annual allocation to districts each month for the months of September through June.

Sec. 519. 2001 2nd sp.s. c 7 s 521 (uncodified) is amended to read as follows:

FOR THE STATE BOARD OF EDUCATION

Education Savings Account--State

Appropriation	\$	((36,720,000))
		<u>36,656,000</u>

Education Construction Account--State

Appropriation	\$	154,500,000
TOTAL APPROPRIATION	\$	((191,220,000))
		<u>191,156,000</u>

The appropriations in this section are subject to the following conditions and limitations:

(1) (~~(\$18,000,000)~~) \$17,936,000 in fiscal year 2002 and \$18,720,000 in fiscal year 2003 of the education savings account appropriation shall be deposited in the common school construction account.

1 (2) \$154,500,000 of the education construction account appropriation
2 shall be deposited in the common school construction account.

3 (End of part)

PART VI
HIGHER EDUCATION

Sec. 601. 2001 2nd sp.s. c 7 s 601 (uncodified) is amended to read as follows:

The appropriations in sections 603 through 609 of this act are subject to the following conditions and limitations:

(1) "Institutions" means the institutions of higher education receiving appropriations under sections 603 through 609 of this act.

(2)(a) The salary increases provided or referenced in this subsection shall be the only allowable salary increases provided at institutions of higher education, excluding increases associated with normally occurring promotions and increases related to faculty and professional staff retention, and excluding increases associated with employees under the jurisdiction of chapter 41.56 RCW pursuant to the provisions of RCW 28B.16.015 and 28B.50.874(1).

(b) Each institution of higher education shall provide to each classified staff employee as defined by the office of financial management, except for classified staff at the technical colleges, a salary increase of 3.7 percent on July 1, 2001, and 1.5 percent on July 1, 2002. The technical colleges shall provide to classified employees under chapter 41.56 RCW an average salary increase of 3.7 percent on July 1, 2001, and an average salary increase of 1.5 percent on July 1, 2002. Funds are also provided for salary increases for (~~all classified employees on July 1, 2002, in a percentage amount to be determined by the 2002 legislature and, in the case of~~) technical college classified staff, consistent with the provisions of Initiative 732.

(c) Each institution of higher education, except for the community and technical colleges, shall provide to state-funded instructional and research faculty, exempt professional staff, academic administrators, academic librarians, counselors, teaching and research assistants as classified by the office of financial management, and all other state-funded nonclassified staff, including those employees under RCW 28B.16.015, an average salary

1 increase of 3.7 percent on July 1, 2001, and an average salary increase of
2 1.5 percent on July 1, 2002. (~~Funds are also provided for salary increases~~
3 ~~for these employee groups on July 1, 2002, in a percentage amount to be~~
4 ~~determined by the 2002 legislature.~~) Each institution may provide the same
5 average increases to similar positions that are not state-funded.

6 (d) The community and technical colleges shall provide to academic
7 employees, exempt professional staff, and academic administrators an average
8 salary increase of 3.7 percent on July 1, 2001, and an average salary
9 increase of 1.5 percent on July 1, 2002. Funds are also provided for salary
10 increases for (~~these groups on July 1, 2002, in a percentage amount to be~~
11 ~~determined by the 2002 legislature and, in the case of~~) community college
12 academic employees and technical college employees, consistent with the
13 provisions of Initiative 732.

14 (e) For employees under the jurisdiction of chapter 41.56 RCW pursuant
15 to the provisions of RCW 28B.16.015 and 28B.50.874(1), distribution of the
16 salary increases will be in accordance with the applicable collective
17 bargaining agreement. However, an increase shall not be provided to any
18 classified employee whose salary is above the approved salary range maximum
19 for the class to which the employee's position is allocated.

20 (f) Each institution of higher education receiving appropriations under
21 sections 604 through 609 of this act may provide additional salary increases
22 to instructional and research faculty, exempt professional staff, academic
23 administrators, academic librarians, counselors, teaching and research
24 assistants, as classified by the office of financial management, and all
25 other nonclassified staff, but not including employees under RCW 28B.16.015.
26 Any salary increase granted under the authority of this subsection (2)(f)
27 or accomplished with local, nonstate funds under the collective bargaining
28 provisions of either (i) Substitute Senate Bill No. 6640 or Substitute House
29 Bill No. 2403, or (ii) Substitute Senate Bill No. 6403 or Substitute House
30 Bill No. 2540, shall not be included in an institution's salary base. It
31 is the intent of the legislature that general fund--state support for an
32 institution shall not increase during the current or any future biennium as
33 a result of any salary increases authorized under this subsection (2)(f) or
34 under rights granted to award additional compensation with local, nonstate
35 funds under the collective bargaining provisions of Substitute Senate Bill

1 No. 6640, Substitute House Bill No. 2403, Substitute Senate Bill No. 6403,
2 or Substitute House Bill No. 2540.

3 (g) To collect consistent data for use by the legislature, the office
4 of financial management, and other state agencies for policy and planning
5 purposes, institutions of higher education shall report personnel data to
6 be used in the department of personnel's human resource data warehouse in
7 compliance with uniform reporting procedures established by the department
8 of personnel.

9 (h) Specific salary increases authorized in sections 603 through 609 of
10 this act are in addition to any salary increase provided in this subsection.

11 (3) The tuition fees, as defined in chapter 28B.15 RCW, charged to
12 full-time resident students at the state's institutions of higher education
13 for the 2001-02 and 2002-03 academic years, other than the summer term, may
14 be adjusted by the governing boards of the state universities, regional
15 universities, The Evergreen State College, and the state board for community
16 and technical colleges as provided in this subsection.

17 (a) For the 2001-02 academic year, the governing boards and the state
18 board may implement an increase no greater than six and seven-tenths percent
19 over tuition fees charged to full-time students for the 2000-01 academic
20 year.

21 (b)(i) For the 2002-03 academic year, the governing boards of the state
22 universities may implement an increase no greater than fourteen percent over
23 tuition fees charged to full-time students for the 2001-02 academic year,
24 except as provided in (d) and (g) of this subsection.

25 (ii) For the 2002-03 academic year, the governing boards of the
26 regional universities and The Evergreen State College may implement an
27 increase no greater than ten percent over tuition fees charged to full-time
28 students for the 2001-02 academic year, except as provided in (d) and (g)
29 of this subsection.

30 (iii) For the 2002-03 academic year, the ((governing boards and the))
31 state board may implement an increase no greater than ((six and one-tenth))
32 seven percent over the tuition fees charged to full-time students for the
33 2001-02 academic year except as provided in (g) of this subsection.

34 (c) For the 2001-02 academic year, the governing boards may implement
35 an increase for law and graduate business programs no greater than twelve

1 percent over tuition fees charged to law and graduate business students for
2 the 2000-01 academic year, except as provided in (e) of this subsection

3 (d) For the 2002-03 academic year, ~~((the governing boards may implement~~
4 ~~an increase for law and graduate business programs no greater than twelve~~
5 ~~percent over tuition fees charged to law and graduate business students for~~
6 ~~the 2001-02 academic year, except as provided in (f) of this subsection))~~
7 tuition fees for all graduate, law, and professional programs may exceed the
8 limits specified in (b) of this subsection. Tuition increases adopted under
9 this subsection need not apply uniformly across student categories as
10 defined in chapter 28B.15 RCW and may vary by discipline and degree.

11 (e) For the 2001-02 academic year, the governing boards of the
12 University of Washington may implement an increase for graduate business
13 programs no greater than 15 percent over tuition fees charged to graduate
14 business students for the 2000-01 academic year.

15 (f) ~~((For the 2002-03 academic year, the governing boards of the~~
16 ~~University of Washington may implement an increase for graduate business~~
17 ~~programs no greater than 20 percent over tuition fees charged to graduate~~
18 ~~business students for the 2001-02 academic year.~~

19 ~~—(g))~~ For the 2001-02 and the 2002-03 academic years, the state board
20 for community and technical colleges may increase fees differentially based
21 on student credit hour load, but the percentage increase for students taking
22 fifteen or fewer credits shall not exceed the limits in subsection (3)(a)
23 and (b)(iii) of this section.

24 (g) For the 2002-03 academic year, governing boards and the state board
25 for community and technical colleges may charge full-time tuition of
26 students who register for 9 credit hours a term even if the increases exceed
27 limits specified in (b) of this subsection.

28 (h) For the 2001-03 biennium, the governing boards and the state board
29 may adjust full-time operating fees for factors that may include time of day
30 and day of week, as well as delivery method and campus, to encourage full
31 use of the state's educational facilities and resources.

32 (i) The tuition increases adopted under (a), ~~((b), (g))~~ (f), and (h)
33 of this subsection need not apply uniformly across student categories as
34 defined in chapter 28B.15 RCW so long as the increase for each student
35 category does not exceed the percentages specified in this subsection.

1 (4) The tuition fees, as defined in chapter 28B.15 RCW, charged to
2 full-time nonresident students at the state's institutions of higher
3 education for the 2001-02 and the 2002-03 academic years, other than summer
4 term, may be adjusted by governing boards of the state universities,
5 regional universities, The Evergreen State College, and the state board for
6 community and technical colleges.

7 (5) For the purpose of providing state general fund support to public
8 institutions of higher education, except for revenue waived under programs
9 listed in RCW 28B.15.910 (3) and (4), the total amount of operating fees
10 revenue waived, exempted, or reduced by a state university, a regional
11 university, The Evergreen State College, or the community colleges as a
12 whole, for academic year 2002-03, pursuant to RCW 28B.15.910 shall not
13 exceed the percentage of total gross authorized operating fees revenue in
14 this subsection. As used in this subsection, "gross authorized operating
15 fees revenue" means the estimated gross operating fees revenue as estimated
16 under RCW 82.33.020 or as revised by the office of financial management,
17 before granting any waivers.

18 (a) <u>University of Washington</u>	<u>18.9 percent</u>
19 (b) <u>Washington State University</u>	<u>18.0 percent</u>
20 (c) <u>Eastern Washington University</u>	<u>9.9 percent</u>
21 (d) <u>Central Washington University</u>	<u>7.2 percent</u>
22 (e) <u>Western Washington University</u>	<u>9.0 percent</u>
23 (f) <u>The Evergreen State College</u>	<u>5.4 percent</u>
24 (g) <u>Community colleges as a whole</u>	<u>31.5 percent</u>

25 (6) In addition to waivers granted under the authority of RCW
26 28B.15.910, the governing boards and the state board may waive all or a
27 portion of the operating fees for any student. State general fund
28 appropriations shall not be provided to replace tuition and fee revenue
29 foregone as a result of waivers granted under this subsection.

30 ~~((+5+))~~ (7) Pursuant to RCW ((43.15.055)) 43.135.055, institutions of
31 higher education receiving appropriations under sections 603 through 609 of
32 this act are authorized to increase summer term tuition in excess of the
33 fiscal growth factor during the 2001-03 biennium. Tuition levels increased
34 pursuant to this subsection shall not exceed the per credit hour rate
35 calculated from the academic year tuition levels adopted under this act

1 (~~((+6+))~~) (8) Community colleges may increase services and activities fee
2 charges in excess of the fiscal growth factor up to the maximum level
3 authorized by the state board for community and technical colleges.

4 (~~((+7+))~~) (9) Each institution receiving appropriations under sections
5 604 through 609 of this act shall submit a biennial plan to achieve
6 measurable and specific improvements each academic year as part of a
7 continuing effort to make meaningful and substantial progress towards the
8 achievement of long-term performance goals. The plans, to be prepared at
9 the direction of the higher education coordinating board, shall be submitted
10 by August 15, 2001. The higher education coordinating board shall set
11 biennial performance targets for each institution and shall review actual
12 achievements annually. Institutions shall track their actual performance
13 on the statewide measures as well as faculty productivity, the goals and
14 targets for which may be unique to each institution. A report on progress
15 towards statewide and institution-specific goals, with recommendations for
16 the ensuing biennium, shall be submitted to the fiscal and higher education
17 committees of the legislature by November 15, 2003.

18 (~~((+8+))~~) (10) The state board for community and technical colleges shall
19 develop a biennial plan to achieve measurable and specific improvements each
20 academic year as part of a continuing effort to make meaningful and
21 substantial progress to achieve long-term performance goals. The board
22 shall set biennial performance targets for each college or district, where
23 appropriate, and shall review actual achievements annually. Colleges shall
24 track their actual performance on the statewide measures. A report on
25 progress towards the statewide goals, with recommendations for the ensuing
26 biennium, shall be submitted to the fiscal and higher education committees
27 of the legislature by November 15, 2003.

28 **Sec. 602.** 2001 2nd sp.s. c 7 s 602 (uncodified) is amended to read as
29 follows:

30 The appropriations in sections 603 through 609 of this act provide
31 state general fund support for full-time equivalent student enrollments at
32 each institution of higher education. Listed below are the annual full-time
33 equivalent student enrollments by institutions assumed in this act. In
34 consideration of reduced general fund support for the 2002-03 academic year,

1 institutions may serve fewer full-time equivalent student enrollments than
2 assumed in this act.

3	2001-2002	2002-2003
4	Annual	Annual
5	Average	Average
6 University of Washington		
7 Main campus	32,321	32,427
8 Bothell branch	1,169	1,235
9 Tacoma branch	1,330	1,484
10 Washington State University		
11 Main campus	17,332	17,332
12 Spokane branch	551	593
13 Tri-Cities branch	616	616
14 Vancouver branch	1,071	1,153
15 Central Washington University	7,470	7,470
16 Eastern Washington University	7,933	8,017
17 The Evergreen State College	3,754	3,837
18 Western Washington University	10,976	11,126
19 State Board for Community and		
20 Technical Colleges	125,082	((126,902))
21		<u>127,902</u>

22 When allocating newly budgeted enrollments, each institution of higher
23 education shall give priority to high demand fields, including but not
24 limited to technology, health professions, and education. At the end of
25 each fiscal year, each institution of higher education and the state board
26 for community and technical colleges shall submit a report to the higher
27 education coordinating board detailing how newly budgeted enrollments have
28 been allocated.

29 **Sec. 603.** 2001 2nd sp.s. c 7 s 603 (uncodified) is amended to read as
30 follows:

31 **FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES**

1	General Fund--State Appropriation (FY 2002) . . . \$	((514,399,000))
2		<u>514,141,000</u>
3	General Fund--State Appropriation (FY 2003) . . . \$	((543,731,000))
4		<u>520,688,000</u>
5	General Fund--Federal Appropriation \$	11,404,000
6	Education Savings Account--State	
7	Appropriation \$	4,500,000
8	<u>College Faculty Awards Trust Account--State</u>	
9	<u>Appropriation</u> \$	<u>3,500,000</u>
10	<u>Administrative Contingency Account--State</u>	
11	<u>Appropriation</u> \$	<u>2,600,000</u>
12	TOTAL APPROPRIATION \$	((1,074,034,000))
13		<u>1,056,833,000</u>

14 The appropriations in this section are subject to the following
15 conditions and limitations:

16 (1) The technical colleges may increase tuition and fees in excess of
17 the fiscal growth factor to conform with the percentage increase in
18 community college operating fees.

19 (2) \$2,475,000 of the general fund--state appropriation for fiscal year
20 2002 and \$5,025,000 of the general fund--state appropriation for fiscal year
21 2003 are provided solely to increase salaries and related benefits for part-
22 time faculty. The board shall report by December 1 of each fiscal year to
23 the office of financial management and legislative fiscal and higher
24 education committees on (a) the distribution of state funds; (b) wage
25 adjustments for part-time faculty; and (c) progress to achieve the long-term
26 performance targets for each district, with respect to use of part-time
27 faculty, pursuant to the faculty mix study conducted under section 603,
28 chapter 309, Laws of 1999.

29 (3) \$1,155,000 of the general fund--state appropriation for fiscal year
30 2002 and ((~~\$2,345,000~~)) \$1,155,000 of the general fund--state appropriation
31 for fiscal year 2003 are provided solely for faculty salary increments and
32 associated benefits and may be used in combination with salary and benefit
33 savings from faculty turnover to provide faculty salary increments and
34 associated benefits. To the extent general salary increase funding is used

1 to pay faculty increments, the general salary increase shall be reduced by
2 the same amount.

3 (4) \$1,000,000 of the general fund--state appropriation for fiscal year
4 2002 and \$1,000,000 of the general fund--state appropriation for fiscal year
5 2003 are provided for a program to fund the start-up of new community and
6 technical college programs in rural counties as defined under RCW
7 43.160.020(12) and in communities impacted by business closures and job
8 reductions. Successful proposals must respond to local economic development
9 strategies and must include a plan to continue programs developed with this
10 funding.

11 (5) \$326,000 of the general fund--state appropriation for fiscal year
12 2002 and \$640,000 of the general fund--state appropriation for fiscal year
13 2003 are provided solely for allocation to twelve college districts
14 identified in (a) through (l) of this subsection to prepare students for
15 transfer to the state technology institute at the Tacoma branch campus of
16 the University of Washington. The appropriations in this section are
17 intended to supplement, not supplant, general enrollment allocations by the
18 board to the districts under (a) through (l) of this subsection:

- 19 (a) Bates Technical College;
- 20 (b) Bellevue Community College;
- 21 (c) Centralia Community College;
- 22 (d) Clover Park Community College;
- 23 (e) Grays Harbor Community College;
- 24 (f) Green River Community College;
- 25 (g) Highline Community College;
- 26 (h) Tacoma Community College;
- 27 (i) Olympic Community College;
- 28 (j) Pierce District;
- 29 (k) Seattle District; and
- 30 (l) South Puget Sound Community College.

31 (6) \$28,761,000 of the general fund--state appropriation for fiscal
32 year 2002 and (~~(\$28,761,000)~~) \$32,161,000 of the general fund--state
33 appropriation for fiscal year 2003 and the entire administrative contingency
34 account appropriation are provided solely as special funds for training and

1 related support services, including financial aid, as specified in chapter
2 226, Laws of 1993 (employment and training for unemployed workers).

3 (a) Funding is provided to support up to 7,200 full-time equivalent
4 students in (~~each~~) fiscal year 2002 and up to 8,200 full-time equivalent
5 students in fiscal year 2003.

6 (b) In directing these resources during the 2001-03 biennium, the state
7 board for community and technical colleges shall give considerable attention
8 to the permanent dislocation of workers from industries facing rapidly
9 rising energy costs, such as direct service industries.

10 (7) \$1,000,000 of the general fund--state appropriation for fiscal year
11 2002 and \$1,000,000 of the general fund--state appropriation for fiscal year
12 2003 are provided solely for tuition support for students enrolled in work-
13 based learning programs.

14 (8) \$567,000 of the general fund--state appropriation for fiscal year
15 2002 and \$568,000 of the general fund--state appropriation for fiscal year
16 2003 are provided solely for administration and customized training
17 contracts through the job skills program.

18 (9) \$50,000 of the general fund--state appropriation for fiscal year
19 2002 and \$50,000 of the general fund--state appropriation for fiscal year
20 2003 are solely for higher education student child care matching grants
21 under chapter 28B.135 RCW.

22 (10) \$212,000 of the general fund--state appropriation for fiscal year
23 2002 and \$212,000 of the general fund--state appropriation for fiscal year
24 2003 are provided for allocation to Olympic college. The college shall
25 contract with accredited baccalaureate institution(s) to bring a program of
26 upper-division courses to Bremerton. Funds provided are sufficient to
27 support at least 30 additional annual full-time equivalent students. The
28 state board for community and technical colleges shall report to the office
29 of financial management and the fiscal and higher education committees of
30 the legislature on the implementation of this subsection by December 1st of
31 each fiscal year.

32 (11) The entire education savings account appropriation is provided
33 solely to support the development of a multicollge student-centered online
34 service center for distance learners, including self-service internet
35 applications and staff support 24 hours per day. Moneys may be allocated

by the office of financial management upon certification that sufficient cash is available beyond the appropriations made for the 2001-03 biennium for the purposes of common school construction.

(12) \$7,000,000 of the general fund--state appropriation for fiscal year 2003 and the entire college faculty awards trust account appropriation are provided solely for the purposes of the settlement costs of *Mader v. State* litigation regarding retirement contributions on behalf of part-time faculty.

Sec. 604. 2001 2nd sp.s. c 7 s 604 (uncodified) is amended to read as follows:

FOR UNIVERSITY OF WASHINGTON

General Fund--State Appropriation (FY 2002) . . . \$	((345,974,000))
	<u>345,904,000</u>
General Fund--State Appropriation (FY 2003) . . . \$	((361,114,000))
	<u>326,223,000</u>
Death Investigations Account--State	
Appropriation \$	((259,000))
	<u>258,000</u>
University of Washington Building Account--	
State Appropriation \$	1,103,000
Accident Account--State Appropriation . . . \$	((5,891,000))
	<u>5,872,000</u>
Medical Aid Account--State Appropriation . . . \$	((5,945,000))
	<u>5,928,000</u>
TOTAL APPROPRIATION \$	((720,286,000))
	<u>685,288,000</u>

The appropriations in this section are subject to the following conditions and limitations:

(1) The university may reallocate 10 percent of newly budgeted enrollments to campuses other than as specified by the legislature in section 602 of this act in order to focus on high demand areas. The university shall report the details of these reallocations to the office of financial management and the fiscal and higher education committees of the

1 legislature for monitoring purposes by the 10th day of the academic quarter
2 that follows the reallocation actions. The report shall provide details of
3 undergraduate and graduate enrollments at the main campus and each of the
4 branch campuses.

5 (2) \$2,000,000 of the general fund--state appropriation for fiscal year
6 2002 and \$2,000,000 of the general fund--state appropriation for fiscal year
7 2003 are provided solely to create a state resource for technology education
8 in the form of an institute located at the University of Washington, Tacoma.
9 It is the intent of the legislature that at least ninety-nine of the full-
10 time equivalent enrollments allocated to the university's Tacoma branch
11 campus for the 2002-03 academic year may be used to establish the technology
12 institute. The university will expand undergraduate and graduate degree
13 programs meeting regional technology needs including, but not limited to,
14 computing and software systems. As a condition of these appropriations

15 (a) The university will work with the state board for community and
16 technical colleges, or individual colleges where necessary, to establish
17 articulation agreements in addition to the existing associate of arts and
18 associate of science transfer degrees. Such agreements shall improve the
19 transferability of students and in particular, students with substantial
20 applied information technology credits.

21 (b) The university will establish performance measures for recruiting,
22 retaining and graduating students, including nontraditional students, and
23 report back to the governor and legislature by September 2002 as to its
24 progress and future steps.

25 (3) \$150,000 of the general fund--state appropriation for fiscal year
26 2002 and \$150,000 of the general fund--state appropriation for fiscal year
27 2003 are provided solely for research faculty clusters in the advanced
28 technology initiative program.

29 (4) The department of environmental health shall report to the
30 legislature the historical, current, and anticipated use of funds provided
31 from the accident and medical aid accounts. The report shall be submitted
32 prior to the convening of the 2002 legislative session.

33 (5) (~~(\$259,000)~~) \$258,000 of the death investigations account
34 appropriation is provided solely for the forensic pathologist fellowship
35 program.

(6) \$150,000 of the general fund--state appropriation for fiscal year 2002 and \$150,000 of the general fund--state appropriation for fiscal year 2003 are provided solely for the implementation of the Puget Sound work plan and agency action item UW-01.

(7) \$75,000 of the general fund--state appropriation for fiscal year 2002 and \$75,000 of the general fund--state appropriation for fiscal year 2003 are provided solely for the Olympic natural resource center.

(8) \$50,000 of the general fund--state appropriations are provided solely for the school of medicine to conduct a survey designed to evaluate characteristics, factors and probable causes for the high incidence of multiple sclerosis cases in Washington state.

(9) \$1,103,000 of the University of Washington building account--state appropriation is provided solely for the repair and reconstruction of the Urban Horticulture Center (Merrill Hall).

Sec. 605. 2001 2nd sp.s. c 7 s 605 (uncodified) is amended to read as follows:

FOR WASHINGTON STATE UNIVERSITY

General Fund--State Appropriation (FY 2002) . . \$	((201,416,000))
	<u>201,362,000</u>
General Fund--State Appropriation (FY 2003) . . \$	((209,939,000))
	<u>192,365,000</u>
TOTAL APPROPRIATION \$	((411,355,000))
	<u>393,727,000</u>

The appropriations in this section are subject to the following conditions and limitations:

(1) The university may reallocate 10 percent of newly budgeted enrollments to campuses other than specified by the legislature in section 602 of this act in order to focus on high demand areas. The university will report the details of these reallocations to the office of financial management and the fiscal and higher education committees of the legislature for monitoring purposes by the 10th day of the academic quarter that follows the reallocation actions. The report will provide details of undergraduate and graduate enrollments at the main campus and each of the branch campuses.

(2) \$150,000 of the general fund--state appropriation for fiscal year 2002 and \$150,000 of the general fund--state appropriation for fiscal year 2003 are provided solely for research faculty clusters in the advanced technology initiative program.

(3) \$165,000 of the general fund--state appropriation for fiscal year 2002 and \$166,000 of the general fund--state appropriation for fiscal year 2003 are provided solely for the implementation of the Puget Sound work plan and agency action item WSU-01.

(4) Cooperative extension service programs may receive less state support during fiscal year 2003 but such reductions shall not be made out-of-proportion to the change in state general fund appropriations to the entire university reflected in this section.

Sec. 606. 2001 2nd sp.s. c 7 s 606 (uncodified) is amended to read as follows:

FOR EASTERN WASHINGTON UNIVERSITY

General Fund--State Appropriation (FY 2002) . . \$	((45,532,000))
	<u>45,517,000</u>
General Fund--State Appropriation (FY 2003) . . \$	((47,382,000))
	<u>43,718,000</u>
TOTAL APPROPRIATION \$	((92,914,000))
	<u>89,235,000</u>

Sec. 607. 2001 2nd sp.s. c 7 s 607 (uncodified) is amended to read as follows:

FOR CENTRAL WASHINGTON UNIVERSITY

General Fund--State Appropriation (FY 2002) . . \$	((44,164,000))
	<u>44,147,000</u>
General Fund--State Appropriation (FY 2003) . . \$	((44,976,000))
	<u>41,669,000</u>
TOTAL APPROPRIATION \$	((89,140,000))
	<u>85,816,000</u>

The appropriations in this section are subject to the following conditions and limitations: \$700,000 of the general fund--state

1 appropriation for fiscal year 2002 is provided solely for the development
2 and implementation of the university's enrollment stabilization recovery and
3 growth plan. The university shall report back to the fiscal committees of
4 the legislature, the office of financial management, and the higher
5 education coordinating board at the end of each fiscal year with details of
6 its actions and progress.

7 **Sec. 608.** 2001 2nd sp.s. c 7 s 608 (uncodified) is amended to read as
8 follows:

9 **FOR THE EVERGREEN STATE COLLEGE**

10	General Fund--State Appropriation (FY 2002) . . \$	((25,334,000))
11		<u>25,351,000</u>
12	General Fund--State Appropriation (FY 2003) . . \$	((26,260,000))
13		<u>24,156,000</u>
14	TOTAL APPROPRIATION \$	((51,594,000))
15		<u>49,507,000</u>

16 The appropriations in this section are subject to the following
17 conditions and limitations:

18 (1) \$75,000 of the general fund--state appropriation for fiscal year
19 2002 is provided solely for the institute for public policy to complete
20 studies of services described in section 202(1), chapter 1, Laws of 2000 2nd
21 sp. sess.

22 (2) \$11,000 of the general fund--state appropriation for fiscal year
23 2002 and \$54,000 of the general fund--state appropriation for fiscal year
24 2003 are provided solely for the institute for public policy to conduct an
25 outcome evaluation pursuant to Substitute Senate Bill No. 5416 (drug-
26 affected infants). The institute shall provide a report to the fiscal,
27 health, and human services committees of the legislature by December 1,
28 2003. If the bill is not enacted by June 30, 2001, the amounts provided in
29 this subsection shall be used to evaluate outcomes across state health and
30 social service pilot projects and other national models involving women who
31 have given birth to a drug-affected infant, comparing gains in positive
32 birth outcomes for resources invested, in which case the institute's
33 findings and recommendations will be provided by November 15, 2002.

1 (3) \$11,000 of the general fund--state appropriation for fiscal year
2 2002 and \$33,000 of the general fund--state appropriation for fiscal year
3 2003 are provided solely for the institute for public policy to evaluate
4 partnership grant programs for alternative teacher certification pursuant
5 to Engrossed Second Substitute Senate Bill No. 5695. An interim report
6 shall be provided to the fiscal and education committees of the legislature
7 by December 1, 2002, and a final report by December 1, 2004.

8 (4) \$60,000 of the general fund--state appropriation for fiscal year
9 2002 is provided solely for the institute for public policy to examine
10 options for revising the state's funding formula for the learning assistance
11 program to enhance accountability for school performance in meeting
12 education reform goals. The institute shall submit its report to the
13 appropriate legislative fiscal and policy committees by June 30, 2002.

14 (5) \$50,000 of the general fund--state appropriation for fiscal year
15 2002 is provided solely for the institute for public policy to study the
16 prevalence and needs of families who are raising related children. The
17 study shall compare services and policies of Washington state with other
18 states that have a high rate of kinship care placements in lieu of foster
19 care placements. The study shall identify possible changes in services and
20 policies that are likely to increase appropriate kinship care placements.
21 A report shall be provided to the fiscal and human services committees of
22 the legislature by June 1, 2002.

23 (6) \$35,000 of the general fund--state appropriation for fiscal year
24 2002 and \$15,000 of the general fund--state appropriation for fiscal year
25 2003 are provided solely for the institute for public policy to examine
26 various educational delivery models for providing services and education for
27 students through the Washington state school for the deaf. The institute's
28 report, in conjunction with the capacity planning study from the joint
29 legislative audit and review committee, shall be submitted to the fiscal
30 committees of the legislature by September 30, 2002.

31 (7) \$30,000 of the general fund--state appropriation for fiscal year
32 2002 is provided solely for the institute for public policy to examine the
33 structure, policies, and recent experience in states where welfare
34 recipients may attend college full-time as their required TANF work
35 activity. The institute will provide findings and recommend how Washington

1 could consider adding this feature in a targeted, cost-neutral manner that
2 would complement the present-day WorkFirst efforts and caseload. The
3 institute shall provide a report to the human services, higher education,
4 and fiscal committees of the legislature by November 15, 2001.

5 (8) \$75,000 of the general fund--state appropriation for fiscal year
6 2002 and \$75,000 of the general fund--state appropriation for fiscal year
7 2003 are provided solely for the institute for public policy to research and
8 evaluate strategies for constraining the growth in state health
9 expenditures. Specific research topics, approaches, and timelines shall be
10 identified in consultation with the fiscal committees of the legislature.

11 (9) \$100,000 of the general fund--state appropriation for fiscal year
12 2002 is provided solely for the institute for public policy to conduct a
13 comprehensive review of the costs and benefits of existing juvenile crime
14 prevention and intervention programs. This evaluation shall also consider
15 what changes could result in more cost-effective and efficient funding for
16 juvenile crime prevention and intervention programs presently supported with
17 state funds. The institute for public policy shall report its findings and
18 recommendations to the appropriate legislative fiscal and policy committees
19 by October 1, 2002.

20 (10) \$35,000 of the general fund--state appropriation for fiscal year
21 2003 is provided solely for the institute for public policy, in consultation
22 with the office of financial management, to review options regarding the
23 elimination or distribution of current functions of the state library to
24 other entities and develop an implementation plan for closure of the state
25 library. The plan shall include necessary steps to be taken and estimated
26 time for accomplishing them. The state library shall assist the institute
27 in providing information necessary to formulate the plan. The institute
28 shall submit the plan to the appropriate committees of the legislature by
29 November 15, 2003.

30 (11) \$15,000 of the general fund--state appropriation for fiscal year
31 2002 and \$71,000 of the general fund--state appropriation for fiscal year
32 2003 are provided solely for the institute for public policy to review and
33 evaluate the mission of the branch campuses of the state's higher education
34 research universities under Substitute Senate Bill No. 6626. If the bill

1 is not enacted by June 30, 2002, the amounts provided in this subsection
2 shall lapse.

3 (12) \$11,000 of the general fund--state appropriation for fiscal year
4 2002 and \$29,000 of the general fund--state appropriation for fiscal year
5 2003 are provided solely for the institute for public policy to conduct
6 research on at-risk youth programs. The institute for public policy shall
7 conduct the necessary research in order to recommend to the legislature the
8 criteria, processes, and institutional arrangements under which proven best
9 practices could be identified, the reductions in the state justice system
10 caseloads estimated, and the unit cost and total cost savings estimated for
11 the intervention and prevention programs focused on youth at high risk for
12 involvement with the juvenile and adult justice systems. The development
13 of criteria, processes, and institutional arrangements for the limited
14 purposes of this study shall not be construed to define best practices for
15 all programs. The institute for public policy shall report its findings and
16 recommendations to the appropriate committees of legislature by December 15,
17 2002.

18 **Sec. 609.** 2001 2nd sp.s. c 7 s 609 (uncodified) is amended to read as
19 follows:

20 **FOR WESTERN WASHINGTON UNIVERSITY**

21	General Fund--State Appropriation (FY 2002) . . \$	((59,755,000))
22		<u>59,732,000</u>
23	General Fund--State Appropriation (FY 2003) . . \$	((62,881,000))
24		<u>58,093,000</u>
25	TOTAL APPROPRIATION \$	((122,636,000))
26		<u>117,825,000</u>

27 The appropriations in this section are subject to the following
28 conditions and limitations: \$753,000 of the general fund--state
29 appropriation for fiscal year 2002 and \$1,032,000 of the general fund--state
30 appropriation for fiscal year 2003 are provided solely for the operations
31 of the North Snohomish, Island, Skagit (NSIS) higher education consortium.

Sec. 610. 2001 2nd sp.s. c 7 s 610 (uncodified) is amended to read as follows:

FOR THE HIGHER EDUCATION COORDINATING BOARD--POLICY COORDINATION AND ADMINISTRATION

General Fund--State Appropriation (FY 2002) . . . \$	2,345,000
General Fund--State Appropriation (FY 2003) . . . \$	((2,408,000))
	<u>2,288,000</u>
General Fund--Federal Appropriation \$	636,000
TOTAL APPROPRIATION \$	((5,389,000))
	<u>5,269,000</u>

The appropriations in this section are provided to carry out the policy coordination, planning, studies and administrative functions of the board and are subject to the following conditions and limitations:

(1) \$150,000 of the general fund--state appropriation for fiscal year 2002 and \$150,000 of the general fund--state appropriation for fiscal year 2003 are provided solely to continue the teacher training pilot program pursuant to chapter 177, Laws of 1999.

(2) \$105,000 of the general fund--state appropriation for fiscal year 2002 and \$245,000 of the general fund--state appropriation for fiscal year 2003 are provided solely to continue a demonstration project to improve rural access to post-secondary education by bringing distance learning technologies into Jefferson county.

Sec. 611. 2001 2nd sp.s. c 7 s 611 (uncodified) is amended to read as follows:

FOR THE HIGHER EDUCATION COORDINATING BOARD--FINANCIAL AID AND GRANT PROGRAMS

General Fund--State Appropriation (FY 2002) . . . \$	((123,645,000))
	<u>123,024,000</u>
General Fund--State Appropriation (FY 2003) . . . \$	((136,205,000))
	<u>136,748,000</u>
General Fund--Federal Appropriation \$	7,511,000
Advanced College Tuition Payment Program Account--	
State Appropriation \$	3,604,000

1 define the terms for repayment, including applicable interest rates, fees
2 and deferments, and may adopt other rules as necessary to implement this
3 demonstration project.

4 (d) The board may deposit this appropriation and all collections into
5 the student loan account authorized in RCW 28B.102.060.

6 (e) The board will provide the legislature and governor with findings
7 about the impact of this demonstration project on persons entering the
8 teaching profession in shortage areas by no later than January of 2002.

9 (5) \$75,000 of the general fund--state appropriation for fiscal year
10 2002 and \$75,000 of the general fund--state appropriation for fiscal year
11 2003 are provided solely for higher education student child care matching
12 grants under chapter 28B.135 RCW.

13 (6) \$25,000 of the general fund--state appropriation for fiscal year
14 2002 and \$25,000 of the general fund--state appropriation for fiscal year
15 2003 are provided solely for the benefit of students who participate in
16 college assistance migrant programs (CAMP) operating in Washington state.
17 To ensure timely state aid, the board may establish a date after which no
18 additional grants would be available for the 2001-02 and 2002-03 academic
19 years. The board shall disperse grants in equal amounts to eligible post-
20 secondary institutions so that state money in all cases supplements federal
21 CAMP awards.

22 (7) \$120,156,000 of the general fund--state appropriation for fiscal
23 year 2002 and (~~(\$133,965,000)~~) \$134,879,000 of the general fund--state
24 appropriation for fiscal year 2003 are provided solely for student financial
25 aid, including all administrative costs. Of these amounts:

26 (a) \$90,566,000 of the general fund--state appropriation for fiscal
27 year 2002 and (~~(\$102,667,000)~~) \$106,447,000 of the general fund--state
28 appropriation for fiscal year 2003 are provided solely for the state need
29 grant program. After April 1 of each fiscal year, up to one percent of the
30 annual appropriation for the state need grant program may be transferred to
31 the state work study program;

32 (b) \$16,340,000 of the general fund--state appropriation for fiscal
33 year 2002 and \$17,360,000 of the general fund--state appropriation for
34 fiscal year 2003 are provided solely for the state work study program. Only
35 four percent of the appropriations in this subsection (b) may be spent to

1 administer state work study. After April 1 of each fiscal year, up to one
2 percent of the annual appropriation for the state work study program may be
3 transferred to the state need grant program;

4 (c) \$2,920,000 of the general fund--state appropriation for fiscal year
5 2002 and \$2,920,000 of the general fund--state appropriation for fiscal year
6 2003 are provided solely for educational opportunity grants. The board may
7 deposit sufficient funds from its appropriation into the state education
8 trust fund as established in RCW 28B.10.821 to provide a one-year renewal
9 of the grant for each new recipient of the educational opportunity grant
10 award. For the purpose of establishing eligibility for the equal
11 opportunity grant program for placebound students under RCW 28B.101.020,
12 Thurston county lies within the branch campus service area of the Tacoma
13 branch campus of the University of Washington;

14 (d) A maximum of 2.1 percent of the general fund--state appropriation
15 for fiscal year 2002 and ((2.1)) 1.8 percent of the general fund--state
16 appropriation for fiscal year 2003 may be expended for financial aid
17 administration(~~(, excluding the 4 percent state work study program~~
18 ~~administrative allowance provision)~~);

19 (e) \$1,241,000 of the general fund--state appropriation for fiscal year
20 2002 and \$1,428,000 of the general fund--state appropriation for fiscal year
21 2003 are provided solely to implement the Washington scholars program. Any
22 Washington scholars program moneys not awarded by April 1st of each year may
23 be transferred by the board to the Washington award for vocational
24 excellence;

25 (f) \$588,000 of the general fund--state appropriation for fiscal year
26 2002 and \$589,000 of the general fund--state appropriation for fiscal year
27 2003 are provided solely to implement Washington award for vocational
28 excellence program. Any Washington award for vocational program moneys not
29 awarded by April 1st of each year may be transferred by the board to the
30 Washington scholars program;

31 (g) \$251,000 of the general fund--state appropriation for fiscal year
32 2002 and \$251,000 of the general fund--state appropriation for fiscal year
33 2003 are provided solely for community scholarship matching grants of \$2,000
34 each. Of the amounts provided, no more than \$5,200 each year is for the
35 administration of the community scholarship matching grant program. To be

1 eligible for the matching grant, a nonprofit community organization
2 organized under section 501(c)(3) of the internal revenue code must
3 demonstrate that it has raised \$2,000 in new moneys for college scholarships
4 after the effective date of this act. An organization may receive more than
5 one \$2,000 matching grant and preference shall be given to organizations
6 affiliated with the citizens' scholarship foundation; and

7 (h) \$8,250,000 of the general fund--state appropriation for fiscal year
8 2002 and (~~(\$8,750,000)~~) \$6,300,000 of the general fund--state appropriation
9 for fiscal year 2003 are provided solely for the Washington promise
10 scholarship program subject to the following conditions and limitations

11 (i) Within available funds and subject to state need grant service
12 requirements pursuant to Substitute House Bill No. 2807 (promise
13 scholarships) as amended by the Senate, the higher education coordinating
14 board shall award scholarships for use at accredited institutions of higher
15 education in the state of Washington to as many students as possible from
16 among those qualifying under (iv) and (v) of this subsection. Each
17 qualifying student will receive two consecutive annual installments, the
18 value of each not to exceed the full-time annual resident tuition rates
19 charged by community colleges.

20 (ii) Of the amounts provided, no more than \$260,000 (~~(each year is)~~) in
21 fiscal year 2002 and no more than \$250,000 in fiscal year 2003 are for
22 administration of the Washington promise scholarship program.

23 (iii) Other than funds provided for program administration, the higher
24 education coordinating board shall deposit all money received for the
25 program in the Washington promise scholarship account, a nonappropriated
26 fund in the custody of the state treasurer. The account shall be self-
27 sustaining and consist of funds appropriated by the legislature for these
28 scholarships, private contributions, and receipts from refunds of tuition
29 and fees.

30 (iv) Scholarships in (~~(the 2001-03 biennium)~~) fiscal year 2002 shall be
31 awarded to students who graduate from high school or its equivalent whose
32 family income does not exceed one hundred thirty-five percent of the state's
33 median family income, adjusted for family size, if they meet any of the
34 following academic criteria:

1 (A) Students graduating from public and approved private high schools
2 under chapter 28A.195 RCW must be in the top fifteen percent of their
3 graduating class, or must equal or exceed a cumulative scholastic assessment
4 test score of 1200 on their first attempt;

5 (B) Students participating in home-based instruction as provided in
6 chapter 28A.200 RCW must equal or exceed a cumulative scholastic assessment
7 test score of 1200 on their first attempt.

8 (v) Scholarships in fiscal year 2003 shall be awarded to students who
9 graduate from high school or its equivalent whose family income does not
10 exceed one hundred percent of the state's median family income, adjusted for
11 family size, if they meet any of the following academic criteria:

12 (A) Students graduating from public and approved private high schools
13 under chapter 28A.195 RCW must be in the top ten percent of their graduating
14 class, or must equal or exceed a cumulative scholastic assessment test score
15 of 1200 on their first attempt;

16 (B) Students participating in home-based instruction as provided in
17 chapter 28A.200 RCW must equal or exceed a cumulative scholastic assessment
18 test score of 1200 on their first attempt.

19 (vi) For students eligible under ~~((iv) of)~~ this subsection, the
20 superintendent of public instruction shall provide the higher education
21 coordinating board with the names, addresses, and unique numeric identifiers
22 of eligible students ~~((in the top fifteen percent or))~~ including those who
23 meet the scholastic aptitude test score requirement, as appropriate in each
24 of the respective high school senior or home based instruction classes in
25 Washington state. This shall be provided no later than October 1 of each
26 year.

27 ~~((vii))~~ (vii) Scholarships awarded under this section may only be used
28 at accredited institutions of higher education in the state of Washington
29 for college-related expenses, including but not limited to, tuition, room
30 and board, books, materials, and transportation. The Washington promise
31 scholarship award shall not supplant other scholarship awards, financial
32 aid, or tax programs related to postsecondary education. Scholarships may
33 not be transferred or refunded to students.

34 ~~((viii))~~ (viii) The higher education coordinating board shall evaluate
35 the impact and effectiveness of the Washington promise scholarship program.

1 The evaluation shall include, but not be limited to: (A) An analysis of
2 other financial assistance promise scholarship recipients are receiving
3 through other federal, state, and institutional programs, including grants,
4 work study, tuition waivers, tax credits, and loan programs; (B) an analysis
5 of whether the implementation of the promise scholarship program has had an
6 impact on student indebtedness; and (C) an evaluation of what types of
7 students are successfully completing high school but do not have the
8 financial ability to attend college because they cannot obtain financial aid
9 or the financial aid is insufficient. The board shall report its findings
10 to the governor and the legislature by December 1, 2002.

11 ~~((viii))~~ (ix) The higher education coordinating board may adopt rules
12 as necessary to implement this program.

13 (x) Moneys appropriated for fiscal year 2003 in this subsection (h) may
14 be used as necessary to meet state need grant service requirements pursuant
15 to Substitute House Bill No. 2807 (promise scholarships) as amended by the
16 Senate.

17 **Sec. 612.** 2001 2nd sp.s. c 7 s 612 (uncodified) is amended to read as
18 follows:

19 **FOR THE WORK FORCE TRAINING AND EDUCATION COORDINATING BOARD**

20	General Fund--State Appropriation (FY 2002) . . \$	1,762,000
21	General Fund--State Appropriation (FY 2003) . . \$	((1,720,000))
22		<u>1,633,000</u>
23	General Fund--Federal Appropriation \$	44,987,000
24	TOTAL APPROPRIATION \$	((48,469,000))
25		<u>48,382,000</u>

26 The appropriations in this section are subject to the following
27 conditions and limitations: \$500,000 of the general fund--state
28 appropriation for fiscal year 2002 and \$500,000 of the general fund--state
29 appropriation for fiscal year 2003 are provided solely for the operations
30 and development of the inland northwest technology education center (INTEC)
31 as a regional resource and model for the rapid deployment of skilled workers
32 trained in the latest technologies for Washington. The board shall serve
33 as an advisor to and fiscal agent for INTEC, and will report back to the

1 General Fund--Private/Local Appropriation \$ 3,000
2 TOTAL APPROPRIATION \$ ((6,747,000))
3 6,664,000

4 **Sec. 616.** 2001 2nd sp.s. c 7 s 616 (uncodified) is amended to read as
5 follows:

6 **FOR THE WASHINGTON STATE HISTORICAL SOCIETY**

7 General Fund--State Appropriation (FY 2002) . . \$ 2,899,000
8 General Fund--State Appropriation (FY 2003) . . \$ ((3,129,000))
9 3,035,000
10 TOTAL APPROPRIATION \$ ((6,028,000))
11 5,934,000

12 The appropriations in this section are subject to the following
13 conditions and limitations: \$90,000 of the general fund--state
14 appropriation for fiscal year 2002 and \$285,000 of the general fund--state
15 appropriation for fiscal year 2003 are provided solely for activities
16 related to the Lewis and Clark Bicentennial.

17 **Sec. 617.** 2001 2nd sp.s. c 7 s 617 (uncodified) is amended to read as
18 follows:

19 **FOR THE EASTERN WASHINGTON STATE HISTORICAL SOCIETY**

20 General Fund--State Appropriation (FY 2002) . . \$ 1,674,000
21 General Fund--State Appropriation (FY 2003) . . \$ ((1,535,000))
22 1,489,000
23 TOTAL APPROPRIATION \$ ((3,209,000))
24 3,163,000

25 **Sec. 618.** 2001 2nd sp.s. c 7 s 618 (uncodified) is amended to read as
26 follows:

27 **FOR THE STATE SCHOOL FOR THE BLIND**

28 General Fund--State Appropriation (FY 2002) . . \$ 4,520,000
29 General Fund--State Appropriation (FY 2003) . . \$ ((4,591,000))
30 4,499,000
31 General Fund--Private/Local Appropriation \$ ((1,173,000))

PART VII

SPECIAL APPROPRIATIONS

Sec. 701. 2001 2nd sp.s. c 7 s 701 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER--BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR DEBT SUBJECT TO THE DEBT LIMIT

General Fund--State Appropriation (FY 2002) . . . \$	629,097,000
General Fund--State Appropriation (FY 2003) . . . \$	((567,290,000))
	<u>565,290,000</u>
State Building Construction Account--State	
Appropriation \$	((11,351,000))
	<u>7,999,000</u>
Debt-Limit Reimbursable Bond Retire Account--	
State Appropriation \$	2,591,000
<u>State Taxable Building Construction Account--</u>	
<u>State Appropriation \$</u>	<u>496,000</u>
TOTAL APPROPRIATION \$	((1,210,329,000))
	<u>1,205,473,000</u>

The appropriations in this section are subject to the following conditions and limitations: The general fund appropriations are for deposit into the debt-limit general fund bond retirement account. The appropriation for fiscal year 2002 shall be deposited in the debt-limit general fund bond retirement account by June 30, 2002.

Sec. 702. 2001 2nd sp.s. c 7 s 702 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER--BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR GENERAL OBLIGATION DEBT TO BE REIMBURSED BY ENTERPRISE ACTIVITIES

State Convention and Trade Center Account--	
State Appropriation \$	((39,950,000))

1		<u>29,249,000</u>
2	Accident Account--State Appropriation . . \$	((5,590,000))
3		<u>5,096,000</u>
4	Medical Aid Account--State Appropriation . . . \$	((5,590,000))
5		<u>5,096,000</u>
6	TOTAL APPROPRIATION \$	((51,130,000))
7		<u>39,441,000</u>

8 **Sec. 703.** 2001 2nd sp.s. c 7 s 703 (uncodified) is amended to read as
9 follows:

10 FOR THE STATE TREASURER--BOND RETIREMENT AND INTEREST, AND ONGOING BOND
11 REGISTRATION AND TRANSFER CHARGES: FOR GENERAL OBLIGATION DEBT TO BE
12 REIMBURSED AS PRESCRIBED BY STATUTE

13	General Fund--State Appropriation (FY 2002) . . \$	24,542,000
14	General Fund--State Appropriation (FY 2003) . . \$	26,706,000
15	Capitol Historic District Construction	
16	Account--State Appropriation \$	454,000
17	Higher Education Construction Account--State	
18	Appropriation \$	((815,000))
19		<u>499,000</u>
20	State Higher Education Construction Account--	
21	State Appropriation \$	((348,000))
22		<u>50,000</u>
23	State Vehicle Parking Account--State	
24	Appropriation \$	((35,000))
25		<u>100,000</u>
26	<u>Education Construction Account--State</u>	
27	<u>Appropriation</u> \$	<u>19,500,000</u>
28	Nondebt-Limit Reimbursable Bond Retirement Account--	
29	State Appropriation \$	128,043,000
30	TOTAL APPROPRIATION \$	((180,943,000))
31		<u>199,894,000</u>

The appropriations in this section are subject to the following conditions and limitations: The general fund appropriation is for deposit into the nondebt-limit general fund bond retirement account.

Sec. 704. 2001 2nd sp.s. c 7 s 704 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER--BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR BOND SALE EXPENSES

General Fund--State Appropriation (FY 2002) . . . \$	567,000
General Fund--State Appropriation (FY 2003) . . . \$	568,000
Higher Education Construction Account--State	
Appropriation \$	77,000
State Higher Education Construction Account--	
State Appropriation \$	42,000
State Building Construction Account--State	
Appropriation \$	1,488,000
State Vehicle Parking Account--State	
Appropriation \$	((5,000))
	<u>10,000</u>
<u>Education Construction Account--State</u>	
<u>Appropriation \$</u>	<u>325,000</u>
Capitol Historic District Construction	
Account--State Appropriation \$	130,000
<u>State Taxable Building Construction Account--</u>	
<u>State Appropriation \$</u>	<u>50,000</u>
TOTAL APPROPRIATION \$	((2,877,000))
	<u>3,257,000</u>

Sec. 705. 2001 2nd sp.s. c 7 s 706 (uncodified) is amended to read as follows:

FOR THE OFFICE OF FINANCIAL MANAGEMENT--FIRE CONTINGENCY POOL. The sum of ((three million dollars)) \$39,487,000, or so much thereof as may be available on June 30, 2001, from the total amount of unspent fiscal year 2001 fire contingency funding in the disaster response account and the moneys appropriated to the disaster response account in section 707 of this

act, is appropriated for the purpose of making allocations to the military department for fire mobilizations costs or to the department of natural resources for fire suppression costs. Of this amount, \$27,513,000 shall be provided to the department of natural resources, \$135,000 shall be provided to the state parks and recreation commission, and \$60,000 shall be provided to the department of fish and wildlife, for costs of fire suppression during the 2001 fire season.

NEW SECTION. Sec. 706. A new section is added to 2001 2nd sp.s. c 7 (uncodified) to read as follows:

REVOLVING FUND REDUCTIONS. (1) The 2001-2003 supplemental appropriations in this act reflect reduced appropriations from the specified funds and accounts in the following amounts:

Administrative Hearings Revolving Account . . .	\$	330,000
Anti-Trust Revolving Account	\$	67,000
Legal Services Revolving Account	\$	1,543,000
Data Processing Revolving Account	\$	246,000
Department of Personnel Service Account	\$	262,000
Department of Retirement Systems Expense Account	\$	768,000
General Administration Services Account	\$	620,000
Auditing Services Revolving Account	\$	183,000
Archives & Records Management Account	\$	81,000

(2) The director of financial management shall reduce allotments from general fund--state appropriations in this act for the 2001-2003 biennium by \$1,681,000, which is forty-one percent of the amounts specified in subsection (1) of this section and reflects the proportionate share of the general fund--state savings from the appropriations reductions. The amount of the allotment reduction shall be placed in reserve status.

NEW SECTION. Sec. 707. A new section is added to 2001 2nd sp.s. c 7 (uncodified) to read as follows:

MILEAGE REIMBURSEMENT REDUCTION. The director of financial management shall reduce allotments from general fund--state appropriations in this act for the fiscal year 2003 by \$1,443,000 to reflect the reduction in the

1 mileage reimbursement rate under RCW 43.03.060 to twenty-five cents per mile
2 for all state employees and elected and appointed state officials. The
3 amount of the allotment reduction shall be placed in reserve status.

4 NEW SECTION. Sec. 708. A new section is added to 2001 2nd sp.s. c 7
5 (uncodified) to read as follows:

6 **EQUIPMENT PURCHASE REDUCTION.** The director of financial management
7 shall reduce allotments from general fund--state appropriations in this act
8 for the 2001-2003 biennium by \$2,300,000 to reflect a freeze on state agency
9 equipment purchases for the remainder of the 2001-03 biennium. The amount
10 of the allotment reduction shall be placed in reserve status.

11 NEW SECTION. Sec. 709. A new section is added to 2001 2nd sp.s. c 7
12 (uncodified) to read as follows:

13 **EMPLOYEE TRAVEL REDUCTION.** The director of financial management shall
14 reduce allotments from general fund--state appropriations in this act for
15 the 2001-2003 biennium by \$3,000,000 to reflect the elimination of
16 nonessential travel by state employees and officials. The amount of the
17 allotment reduction shall be placed in reserve status.

18 NEW SECTION. Sec. 710. A new section is added to 2001 2nd sp.s. c 7
19 (uncodified) to read as follows:

20 **CONTINGENCY POOL.** The sum of one million five hundred thousand dollars
21 from the general fund--state for fiscal year 2003 is appropriated to the
22 governor for providing assistance to state agencies that are unable to
23 effectively absorb the administrative, travel, and equipment reductions and
24 efficiency savings enacted in this 2002 supplemental appropriations act.
25 Allocations to state agencies from this appropriation shall be reported to
26 the legislative fiscal committees by the office of financial management
27 within five days of the allocation.

28 **Sec. 711.** 2001 2nd sp.s. c 7 s 713 (uncodified) is amended to read as
29 follows:

30 **FOR THE OFFICE OF FINANCIAL MANAGEMENT--DIGITAL GOVERNMENT REVOLVING ACCOUNT**

1	General Fund--State Appropriation (FY 2002) . . \$	2,050,000
2	General Fund--State Appropriation (FY 2003) . . \$	((2,050,000))
3		<u>1,050,000</u>
4	TOTAL APPROPRIATION \$	((4,100,000))
5		<u>3,100,000</u>

6 The appropriations in this section are subject to the following
7 conditions and limitations: The appropriations in this section are provided
8 solely for deposit in the digital government revolving account.

9 **Sec. 712.** 2001 2nd sp.s. c 7 s 716 (uncodified) is amended to read as
10 follows:

11 **FOR THE GOVERNOR--COMPENSATION--INSURANCE BENEFITS**

12	General Fund--State Appropriation (FY 2002) . . \$	7,218,000
13	General Fund--State Appropriation (FY 2003) . . \$	((19,947,000))
14		<u>8,255,000</u>
15	General Fund--Federal Appropriation \$	((8,692,000))
16		<u>5,656,000</u>
17	General Fund--Private/Local Appropriation \$	((456,000))
18		<u>177,000</u>
19	Salary and Insurance Increase Revolving Account	
20	Appropriation \$	((19,468,000))
21		<u>11,493,000</u>
22	TOTAL APPROPRIATION \$	((55,781,000))
23		<u>33,975,000</u>

24 The appropriations in this section are subject to the following
25 conditions and limitations:

26 (1)(a) The monthly employer funding rate for insurance benefit
27 premiums, public employees' benefits board administration, and the uniform
28 medical plan, shall not exceed \$457.29 per eligible employee for fiscal year
29 2002, and ((~~\$497.69~~)) \$464.81 for fiscal year 2003.

30 (b) Within the rates in (a) of this subsection, \$2.02 per eligible
31 employee shall be included in the employer funding rate for fiscal year
32 2002, and \$4.10 per eligible employee shall be included in the employer
33 funding rate for fiscal year 2003, solely to increase life insurance

1 coverage in accordance with a court approved settlement in *Burbage et al.*
2 *v. State of Washington* (Thurston county superior court cause no. 94-2-02560-
3 8).

4 (c) In order to achieve the level of funding provided for health
5 benefits, the public employees' benefits board shall require any or all of
6 the following: Employee premium copayments, increases in point-of-service
7 cost sharing, the implementation of managed competition, or make other
8 changes to benefits consistent with RCW 41.05.065.

9 (d) The health care authority shall deposit any moneys received on
10 behalf of the uniform medical plan as a result of rebates on prescription
11 drugs, audits of hospitals, subrogation payments, or any other moneys
12 recovered as a result of prior uniform medical plan claims payments, into
13 the public employees' and retirees' insurance account to be used for
14 insurance benefits. Such receipts shall not be used for administrative
15 expenditures.

16 (2) To facilitate the transfer of moneys from dedicated funds and
17 accounts, the state treasurer is directed to transfer sufficient moneys from
18 each dedicated fund or account to the special fund salary and insurance
19 contribution increase revolving fund in accordance with schedules provided
20 by the office of financial management.

21 (3) The health care authority, subject to the approval of the public
22 employees' benefits board, shall provide subsidies for health benefit
23 premiums to eligible retired or disabled public employees and school
24 district employees who are eligible for parts A and B of medicare, pursuant
25 to RCW 41.05.085. From January 1, 2002, through December 31, 2002, the
26 subsidy shall be \$85.84. Starting January 1, 2003, the subsidy shall be
27 (~~(\$102.55)~~) \$90.32 per month.

28 (4) Technical colleges, school districts, and educational service
29 districts shall remit to the health care authority for deposit into the
30 public employees' and retirees' insurance account established in RCW
31 41.05.120 the following amounts:

32 (a) For each full-time employee, \$32.41 per month beginning September
33 1, 2001, and (~~(\$37.48)~~) \$36.17 beginning September 1, 2002;

34 (b) For each part-time employee who, at the time of the remittance, is
35 employed in an eligible position as defined in RCW 41.32.010 or 41.40.010

1 and is eligible for employer fringe benefit contributions for basic
2 benefits, \$32.41 each month beginning September 1, 2001, and (~~(\$37.48)~~)
3 \$36.16 beginning September 1, 2002, prorated by the proportion of employer
4 fringe benefit contributions for a full-time employee that the part-time
5 employee receives.

6 The remittance requirements specified in this subsection shall not
7 apply to employees of a technical college, school district, or educational
8 service district who purchase insurance benefits through contracts with the
9 health care authority.

10 (5) The salary and insurance increase revolving account appropriation
11 includes amounts sufficient to fund health benefits for ferry workers at the
12 premium levels specified in subsection (1) of this section, consistent with
13 the 2001-2003 transportation appropriations act.

14 **Sec. 713.** 2001 2nd sp.s. c 7 s 717 (uncodified) is amended to read as
15 follows:

16 **FOR THE DEPARTMENT OF RETIREMENT SYSTEMS--CONTRIBUTIONS TO RETIREMENT**
17 **SYSTEMS.** The appropriations in this section are subject to the following
18 conditions and limitations: The appropriations for the law enforcement
19 officers' and firefighters' retirement system shall be made on a monthly
20 basis beginning July 1, 2001, consistent with chapter 41.45 RCW, and the
21 appropriations for the judges and judicial retirement systems shall be made
22 on a quarterly basis consistent with chapters 2.10 and 2.12 RCW.

23 (1) There is appropriated for state contributions to the law
24 enforcement officers' and fire fighters' retirement system:

25 General Fund--State Appropriation (FY 2002) . . \$	((15,552,000))
26	<u>15,437,000</u>
27 General Fund--State Appropriation (FY 2003) . . \$	((16,668,000))
28	<u>16,208,000</u>

29 The appropriations in this subsection are subject to the following
30 conditions and limitations: The appropriations include reductions to
31 reflect savings resulting from the implementation of state pension
32 contribution rates effective (~~(July 1, 2001, as provided in Senate Bill No.~~

1 ~~6167 or House Bill No. 2236~~) April 1, 2002, as provided in House Bill No.
2 2782.

3 (2) There is appropriated for contributions to the judicial retirement
4 system:

5 General Fund--State Appropriation (FY 2002) . . \$ 6,000,000
6 General Fund--State Appropriation (FY 2003) . . \$ 6,000,000

7 (3) There is appropriated for contributions to the judges retirement
8 system:

9 General Fund--State Appropriation (FY 2002) . . \$ 250,000
10 General Fund--State Appropriation (FY 2003) . . \$ 250,000
11 TOTAL APPROPRIATION \$ ((~~44,720,000~~))
12 44,145,000

13 NEW SECTION. Sec. 714. A new section is added to 2001 2nd sp.s. c 7
14 (uncodified) to read as follows:

15 **FOR THE OFFICE OF FINANCIAL MANAGEMENT--PENSION SAVINGS.** The office of
16 financial management shall reduce allotments from the appropriations for
17 agencies of the state by \$1,208,000 from the general fund--state fiscal year
18 2002 appropriations, \$4,929,000 from the general fund--state fiscal year
19 2003 appropriations, \$1,606,000 from the general fund--federal 2001-03
20 appropriations, \$148,000 from the general fund--private/local 2001-03
21 appropriations, and \$4,326,000 from other funds 2001-03 appropriations to
22 reflect savings from pension contribution rate reductions, effective April
23 1, 2002, as provided in House Bill No. 2782.

24 **Sec. 715.** 2001 2nd sp.s. c 7 s 719 (uncodified) is amended to read as
25 follows:

26 **SALARY COST OF LIVING ADJUSTMENT**

27 General Fund--State Appropriation (FY 2002) . . \$ 41,712,000
28 General Fund--State Appropriation (FY 2003) . . \$ ((~~73,358,000~~))
29 63,223,000
30 General Fund--Federal Appropriation \$ ((~~37,955,000~~))
31 30,605,000
32 General Fund--Private/Local Appropriation \$ ((~~2,325,000~~))

1		<u>2,313,000</u>
2	Salary and Insurance Increase Revolving Account	
3	Appropriation	\$ ((92,156,000))
4		<u>82,692,000</u>
5	TOTAL APPROPRIATION	\$ ((247,506,000))
6		<u>220,545,000</u>

7 The appropriations in this section shall be expended solely for the
8 purposes designated in this section and are subject to the following
9 conditions and limitations:

10 (1) In addition to the purposes set forth in subsections (2) and (3) of
11 this section, appropriations in this section are provided solely for a 3.7
12 percent salary increase effective July 1, 2001, for all classified
13 employees, except the certificated employees of the state schools for the
14 deaf and blind, and including those employees in the Washington management
15 service, and exempt employees under the jurisdiction of the personnel
16 resources board. ((~~Funds are also provided for salary increases for~~
17 ~~classified employees on July 1, 2002, in a percentage amount to be~~
18 ~~determined by the 2002 legislature.~~))

19 (2) The appropriations in this section are sufficient to fund a 3.7
20 percent salary increase effective July 1, 2001, for general government,
21 legislative, and judicial employees exempt from merit system rules whose
22 maximum salaries are not set by the commission on salaries for elected
23 officials. ((~~Funds are also provided for salary increases for these~~
24 ~~employees on July 1, 2002, in a percentage amount to be determined by the~~
25 ~~2002 legislature.~~))

26 (3) The salary and insurance increase revolving account appropriation
27 in this section includes funds sufficient to fund a 3.7 percent salary
28 increase effective July 1, 2001, for ferry workers consistent with the 2001-
29 03 transportation appropriations act. ((~~Funds are also provided for salary~~
30 ~~increases for ferry workers on July 1, 2002, in a percentage amount to be~~
31 ~~determined by the 2002 legislature.~~))

32 (4)(a) No salary increase may be paid under this section to any person
33 whose salary has been Y-rated pursuant to rules adopted by the personnel
34 resources board.

(b) The average salary increases paid under this section to agency officials whose maximum salaries are established by the committee on agency official salaries shall not exceed the average increases provided by subsection (2) of this section.

Sec. 716. 2001 2nd sp.s. c 7 s 720 (uncodified) is amended to read as follows:

FOR THE OFFICE OF FINANCIAL MANAGEMENT--EDUCATION TECHNOLOGY REVOLVING ACCOUNT

General Fund--State Appropriation (FY 2002) . . \$	11,264,000
General Fund--State Appropriation (FY 2003) . . \$	((11,264,000))
	<u>2,364,000</u>
TOTAL APPROPRIATION \$	((22,528,000))
	<u>13,628,000</u>

The appropriations in this section are subject to the following conditions and limitations:

(1) The appropriations in this section are for appropriation to the education technology revolving account for the purpose of covering operational and transport costs incurred by the K-20 educational network program in providing telecommunication services to network participants

(2) Use of these moneys to connect public libraries are limited to public libraries which have in place a policy of internet safety applied to publicly available computers with internet access via the K-20 educational network that protects against access to visual depictions that are (a) obscene under chapter 9.68 RCW; or (b) sexual exploitation of children under chapter 9.68A RCW.

Sec. 717. 2001 2nd sp.s. c 7 s 722 (uncodified) is amended to read as follows:

FOR THE OFFICE OF FINANCIAL MANAGEMENT--COMPENSATION ACTIONS OF PERSONNEL RESOURCES BOARD

General Fund--State Appropriation (FY 2002) . . \$	((9,179,000))
	<u>9,183,000</u>
General Fund--State Appropriation (FY 2003) . . \$	((18,359,000))

1			<u>18,369,000</u>
2	General Fund--Federal Appropriation	\$	10,392,000
3	Salary and Insurance Increase Revolving Account		
4	Appropriation	\$	((2,735,000))
5			<u>2,809,000</u>
6	TOTAL APPROPRIATION	\$	((40,665,000))
7			<u>40,753,000</u>

8 The appropriations in this section shall be expended solely for the
9 purposes designated in this section and are subject to the following
10 conditions and limitations: Funding is provided to implement the salary
11 increase recommendations of the Washington personnel resources board for the
12 priority classes identified through item 8B pursuant to RCW 41.06.152. The
13 salary increases shall be effective January 1, 2002.

14 **Sec. 718.** 2001 2nd sp.s. c 7 s 723 (uncodified) is amended to read as
15 follows:

16 **INCENTIVE SAVINGS--FY 2002.** The sum of one hundred million dollars or
17 so much thereof as may be available on June 30, 2002, from the total amount
18 of unspent fiscal year 2002 state general fund appropriations is
19 appropriated for the purposes of RCW 43.79.460 in the manner provided in
20 this section.

(1) Of the total appropriated amount, one-half of that portion that is attributable to incentive savings, not to exceed twenty-five million dollars, is appropriated to the savings incentive account for the purpose of improving the quality, efficiency, and effectiveness of agency services, and credited to the agency that generated the savings.

26 (2) Of the total appropriated amount, any amount attributable to
27 unspent general fund--state appropriations in the state need grant program,
28 the state work study program, the Washington scholars program, and the
29 Washington award for vocational excellence program is appropriated to the
30 state financial aid account if Substitute House Bill No. 2914 (state
31 financial aid account) is enacted by June 30, 2002.

32 (3) The remainder of the total amount, not to exceed seventy-five
33 million dollars, is appropriated to the education savings account.

~~((+3+))~~ (4) For purposes of this section, the total amount of unspent state general fund appropriations does not include the appropriations made in this section or any amounts included in across-the-board allotment reductions under RCW 43.88.110.

Sec. 719. 2001 2nd sp.s. c 7 s 724 (uncodified) is amended to read as follows:

INCENTIVE SAVINGS--FY 2003. The sum of one hundred million dollars or so much thereof as may be available on June 30, 2003, from the total amount of unspent fiscal year 2003 state general fund appropriations is appropriated for the purposes of RCW 43.79.460 in the manner provided in this section.

(1) Of the total appropriated amount, one-half of that portion that is attributable to incentive savings, not to exceed twenty-five million dollars, is appropriated to the savings incentive account for the purpose of improving the quality, efficiency, and effectiveness of agency services, and credited to the agency that generated the savings.

(2) Of the total appropriated amount, any amount attributable to unspent general fund--state appropriations in the state need grant program, the state work study program, the Washington scholars program, and the Washington award for vocational excellence program is appropriated to the state financial aid account if Substitute House Bill No. 2914 (state financial aid account) is enacted by June 30, 2002.

(3) The remainder of the total amount, not to exceed seventy-five million dollars, is appropriated to the education savings account.

~~((+3+))~~ (4) For purposes of this section, the total amount of unspent state general fund appropriations does not include the appropriations made in this section or any amounts included in across-the-board allotment reductions under RCW 43.88.110.

NEW SECTION. **Sec. 720.** A new section is added to 2001 2nd sp.s. c 7 (uncodified) to read as follows:

FOR THE OFFICE OF FINANCIAL MANAGEMENT--EXTRAORDINARY CRIMINAL JUSTICE COSTS

General Fund--State Appropriation (FY 2003) \$ 394,000

The appropriation in this section is subject to the following conditions and limitations: The director of financial management shall distribute the appropriation to the following counties in the amounts designated for extraordinary criminal justice costs:

Franklin	\$	312,000
Stevens	\$	82,000

NEW SECTION. Sec. 721. A new section is added to 2001 2nd sp.s. c 7 (uncodified) to read as follows:

FOR THE DEPARTMENT OF COMMUNITY, TRADE, AND ECONOMIC DEVELOPMENT--COUNTY ASSISTANCE

General Fund--State Appropriation (FY 2003) . .	\$	1,634,000
TOTAL APPROPRIATION	\$	1,634,000

The appropriation in this section is subject to the following conditions and limitations: The director of community, trade, and economic development shall distribute the appropriation in this section to the following counties in the amounts designated:

Asotin County	\$	217,000
Columbia County	\$	286,000
Ferry County	\$	199,000
Garfield County	\$	291,000
Lincoln County	\$	151,000
Pend Oreille County	\$	143,000
Skamania County	\$	88,000
Wahkiakum County	\$	259,000
TOTAL	\$	1,634,000

Sec. 722. 2001 2nd sp.s. c 7 s 727 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF COMMUNITY, TRADE, AND ECONOMIC DEVELOPMENT--COUNTY CORPORATION ASSISTANCE

General Fund--State Appropriation (FY 2002) . .	\$	24,410,534
((General Fund--State Appropriation (FY 2003) . .	\$	25,137,970

1 ~~————— TOTAL APPROPRIATION ———. \$ ——— 49,548,504))~~

2 The appropriation(~~(s)~~) in this section (~~((are))~~) is subject to the
3 following conditions and limitations:

4 (1)(a) The department shall withhold distributions under subsection (2)
5 of this section to any county that has not paid its fifty percent share of
6 the employer contribution on behalf of superior court judges for insurance
7 and health care plans and federal social security and medicare and medical
8 aid benefits for the fiscal year. As required by Article IV, section 13 of
9 the state Constitution and 1996 Attorney General's Opinion No. 2, it is the
10 intent of the legislature that the costs of these employer contributions
11 shall be shared equally between the state and county or counties in which
12 the judges serve.

13 (b) After receiving written notification from the office of the
14 administrator for the courts that a county has paid its fifty percent share
15 as required under (a) of this subsection, the department shall distribute
16 the amount designated for the fiscal year under subsection (2) of this
17 section.

18 (2) The director of community, trade, and economic development shall
19 distribute the appropriations to the following counties in the amounts
20 designated:

21			((2001-03))
22	County	FY 2002	((FY 2003 ——— Biennium))
23	Adams	290,303	((295,993 ——— 586,296))
24	Asotin	422,074	((434,598 ——— 856,672))
25	Benton	966,480	((999,163 ——— 1,965,643))
26	Chelan	637,688	((651,982 ——— 1,289,670))
27	Clallam	444,419	((454,391 ——— 898,810))
28	Clark	641,571	((678,997 ——— 1,320,568))
29	Columbia	561,888	((572,901 ——— 1,134,789))
30	Cowlitz	771,879	((795,808 ——— 1,567,687))
31	Douglas	505,585	((528,184 ——— 1,033,769))
32	Ferry	389,909	((397,551 ——— 787,460))
33	Franklin	442,624	((464,018 ——— 906,642))
34	Garfield	571,303	((582,501 ——— 1,153,804))
35	Grant	579,631	((604,072 ——— 1,183,703))
36	Grays Harbor	540,315	((550,905 ——— 1,091,220))
37	Island	483,589	((503,205 ——— 986,794))
38	Jefferson	239,914	((249,924 ——— 489,838))

1	King	2,661,862	((2,720,716	5,382,578))
2	Kitsap	469,992	((480,178	950,170))
3	Kittitas	366,971	((383,027	749,998))
4	Klickitat	204,726	((217,555	422,281))
5	Lewis	583,702	((598,004	1,181,706))
6	Lincoln	290,754	((302,151	592,905))
7	Mason	905,060	((930,959	1,836,019))
8	Okanogan	548,848	((560,332	1,109,180))
9	Pacific	344,047	((350,790	694,837))
10	Pend Oreille	280,342	((285,837	566,179))
11	Pierce	1,246,530	((1,284,087	2,530,617))
12	San Juan	85,712	((91,859	177,571))
13	Skagit	911,491	((944,914	1,856,405))
14	Skamania	172,840	((176,228	349,068))
15	Snohomish	1,017,209	((1,058,571	2,075,780))
16	Spokane	804,124	((823,359	1,627,483))
17	Stevens	811,482	((835,598	1,647,080))
18	Thurston	1,031,888	((1,061,579	2,093,467))
19	Wahkiakum	507,528	((517,476	1,025,004))
20	Walla Walla	241,341	((247,105	488,446))
21	Whatcom	408,025	((429,069	837,094))
22	Whitman	134,870	((138,191	273,061))
23	Yakima	1,892,018	((1,936,192	3,828,210))
24	TOTAL APPROPRIATIONS	24,410,534	((25,137,970	49,548,504))

25 **Sec. 723.** 2001 2nd sp.s. c 7 s 728 (uncodified) is amended to read as
26 follows:

27 **FOR THE DEPARTMENT OF COMMUNITY, TRADE, AND ECONOMIC DEVELOPMENT--MUNICIPAL**
28 **CORPORATION ASSISTANCE**

29 General Fund--State Appropriation (FY 2002) . . \$ 45,884,610
30 (~~General Fund--State Appropriation (FY 2003) . \$ 47,251,839~~
31 ~~TOTAL APPROPRIATION \$ 93,136,449~~))

32 The appropriation(~~s~~) in this section (~~are~~) is subject to the
33 following conditions and limitations:

34 (1) The director of community, trade, and economic development shall
35 distribute the appropriation to the following cities and municipalities in
36 the amounts designated:

37 ((2001-03))

1	City	FY 2002	((FY 2003 Biennium))
2	Aberdeen	119,986	((123,562 243,548))
3	Airway Heights	111,259	((114,575 225,834))
4	Albion	66,339	((68,316 134,655))
5	Algona	32,672	((33,646 66,318))
6	Almira	12,519	((12,892 25,411))
7	Anacortes	70,930	((73,044 143,974))
8	Arlington	42,344	((43,606 85,950))
9	Asotin	57,623	((59,340 116,963))
10	Auburn	192,405	((198,139 390,544))
11	Bainbridge Island	293,851	((302,608 596,459))
12	Battle Ground	118,303	((121,828 240,131))
13	Beaux Arts	1,784	((1,837 3,621))
14	Bellevue	524,203	((539,824 1,064,027))
15	Bellingham	369,121	((380,121 749,242))
16	Benton City	111,380	((114,699 226,079))
17	Bingen	6,602	((6,799 13,401))
18	Black Diamond	254,698	((262,288 516,986))
19	Blaine	20,853	((21,474 42,327))
20	Bonney Lake	158,738	((163,468 322,206))
21	Bothell	137,270	((141,361 278,631))
22	Bremerton	214,020	((220,398 434,418))
23	Brewster	11,250	((11,585 22,835))
24	Bridgeport	188,216	((193,825 382,041))
25	Brier	532,011	((547,865 1,079,876))
26	Buckley	68,227	((70,260 138,487))
27	Bucoda	52,876	((54,452 107,328))
28	Burien	284,265	((292,736 577,001))
29	Burlington	27,407	((28,224 55,631))
30	Camas	53,654	((55,253 108,907))
31	Carbonado	56,785	((58,477 115,262))
32	Carnation	9,593	((9,879 19,472))
33	Cashmere	120,801	((124,401 245,202))
34	Castle Rock	29,980	((30,873 60,853))
35	Cathlamet	6,265	((6,452 12,717))
36	Centralia	101,426	((104,448 205,874))
37	Chehalis	34,601	((35,632 70,233))
38	Chelan	19,515	((20,097 39,612))
39	Cheney	314,316	((323,683 637,999))
40	Chewelah	66,731	((68,720 135,451))
41	Clarkston	83,910	((86,411 170,321))
42	Cle Elum	8,692	((8,951 17,643))
43	Clyde Hill	136,778	((140,854 277,632))
44	Colfax	74,672	((76,897 151,569))

1	College Place	526,480	((542,169 ————— 1,068,649))
2	Colton	27,473	((28,292 ————— 55,765))
3	Colville	23,389	((24,086 ————— 47,475))
4	Conconully	13,675	((14,083 ————— 27,758))
5	Concrete	27,006	((27,811 ————— 54,817))
6	Connell	164,950	((169,866 ————— 334,816))
7	Cosmopolis	15,395	((15,854 ————— 31,249))
8	Coulee City	2,804	((2,888 ————— 5,692))
9	Coulee Dam	61,408	((63,238 ————— 124,646))
10	Coupeville	7,708	((7,938 ————— 15,646))
11	Covington	690,851	((711,438 ————— 1,402,289))
12	Creston	12,905	((13,290 ————— 26,195))
13	Cusick	9,341	((9,619 ————— 18,960))
14	Darrington	59,838	((61,621 ————— 121,459))
15	Davenport	66,350	((68,327 ————— 134,677))
16	Dayton	92,685	((95,447 ————— 188,132))
17	Deer Park	16,059	((16,538 ————— 32,597))
18	Des Moines	1,482,120	((1,526,287 ————— 3,008,407))
19	Dupont	8,109	((8,351 ————— 16,460))
20	Duvall	66,128	((68,099 ————— 134,227))
21	East Wenatchee	30,678	((31,592 ————— 62,270))
22	Eatonville	8,848	((9,112 ————— 17,960))
23	Edgewood	901,766	((928,639 ————— 1,830,405))
24	Edmonds	456,336	((469,935 ————— 926,271))
25	Electric City	87,243	((89,843 ————— 177,086))
26	Ellensburg	81,982	((84,425 ————— 166,407))
27	Elma	84,676	((87,199 ————— 171,875))
28	Elmer City	29,811	((30,699 ————— 60,510))
29	Endicott	28,758	((29,615 ————— 58,373))
30	Entiat	58,244	((59,980 ————— 118,224))
31	Enumclaw	53,013	((54,593 ————— 107,606))
32	Ephrata	59,987	((61,775 ————— 121,762))
33	Everett	495,428	((510,192 ————— 1,005,620))
34	Everson	67,517	((69,529 ————— 137,046))
35	Fairfield	18,540	((19,092 ————— 37,632))
36	Farmington	12,072	((12,432 ————— 24,504))
37	Federal Way	470,179	((484,190 ————— 954,369))
38	Ferndale	74,669	((76,894 ————— 151,563))
39	Fife	25,411	((26,168 ————— 51,579))
40	Fircrest	386,146	((397,653 ————— 783,799))
41	Forks	110,712	((114,011 ————— 224,723))
42	Friday Harbor	9,791	((10,083 ————— 19,874))
43	Garfield	45,263	((46,612 ————— 91,875))
44	George	19,319	((19,895 ————— 39,214))

1	Gig Harbor	31,615	((32,557 ————— 64,172))
2	Gold Bar	134,531	((138,540 ————— 273,071))
3	Goldendale	49,519	((50,995 ————— 100,514))
4	Grand Coulee	5,805	((5,978 ————— 11,783))
5	Grandview	256,347	((263,986 ————— 520,333))
6	Granger	173,094	((178,252 ————— 351,346))
7	Granite Falls	10,946	((11,272 ————— 22,218))
8	Hamilton	17,437	((17,957 ————— 35,394))
9	Harrah	46,947	((48,346 ————— 95,293))
10	Harrington	18,107	((18,647 ————— 36,754))
11	Hartline	11,392	((11,731 ————— 23,123))
12	Hatton	12,176	((12,539 ————— 24,715))
13	Hoquiam	374,903	((386,075 ————— 760,978))
14	Hunts Point	2,432	((2,504 ————— 4,936))
15	Ilwaco	13,150	((13,542 ————— 26,692))
16	Index	4,181	((4,306 ————— 8,487))
17	Ione	17,566	((18,089 ————— 35,655))
18	Issaquah	50,002	((51,492 ————— 101,494))
19	Kahlotus	20,210	((20,812 ————— 41,022))
20	Kalama	7,892	((8,127 ————— 16,019))
21	Kelso	68,904	((70,957 ————— 139,861))
22	Kenmore	1,099,395	((1,132,157 ————— 2,231,552))
23	Kennewick	293,534	((302,281 ————— 595,815))
24	Kent	360,624	((371,371 ————— 731,995))
25	Kettle Falls	64,422	((66,342 ————— 130,764))
26	Kirkland	221,429	((228,028 ————— 449,457))
27	Kittitas	72,698	((74,864 ————— 147,562))
28	Krupp	4,445	((4,577 ————— 9,022))
29	La Center	34,415	((35,441 ————— 69,856))
30	La Conner	3,817	((3,931 ————— 7,748))
31	La Crosse	20,141	((20,741 ————— 40,882))
32	Lacey	143,243	((147,512 ————— 290,755))
33	Lake Forest Park	897,932	((924,690 ————— 1,822,622))
34	Lake Stevens	142,295	((146,535 ————— 288,830))
35	Lakewood	2,955,109	((3,043,171 ————— 5,998,280))
36	Lamont	7,492	((7,715 ————— 15,207))
37	Langley	5,303	((5,461 ————— 10,764))
38	Latah	11,962	((12,318 ————— 24,280))
39	Leavenworth	12,189	((12,552 ————— 24,741))
40	Lind	2,217	((2,283 ————— 4,500))
41	Long Beach	10,269	((10,575 ————— 20,844))
42	Longview	249,836	((257,281 ————— 507,117))
43	Lyman	16,741	((17,240 ————— 33,981))
44	Lynden	42,717	((43,990 ————— 86,707))

1	Lynnwood	163,579	((168,454 — 332,033))
2	Mabton	142,491	((146,737 — 289,228))
3	Malden	21,588	((22,231 — 43,819))
4	Mansfield	26,744	((27,541 — 54,285))
5	Maple Valley	359,478	((370,190 — 729,668))
6	Marcus	14,126	((14,547 — 28,673))
7	Marysville	102,028	((105,068 — 207,096))
8	Mattawa	100,064	((103,046 — 203,110))
9	McCleary	105,807	((108,960 — 214,767))
10	Medical Lake	114,323	((117,730 — 232,053))
11	Medina	14,355	((14,783 — 29,138))
12	Mercer Island	383,527	((394,956 — 778,483))
13	Mesa	16,835	((17,337 — 34,172))
14	Metline	14,150	((14,572 — 28,722))
15	Metline Falls	7,718	((7,948 — 15,666))
16	Mill Creek	174,495	((179,695 — 354,190))
17	Millwood	22,619	((23,293 — 45,912))
18	Milton	28,030	((28,865 — 56,895))
19	Monroe	56,517	((58,201 — 114,718))
20	Montesano	60,229	((62,024 — 122,253))
21	Morton	5,891	((6,067 — 11,958))
22	Moses Lake	105,670	((108,819 — 214,489))
23	Mossyrock	16,545	((17,038 — 33,583))
24	Mount Vernon	130,780	((134,677 — 265,457))
25	Mountlake Terrace	711,188	((732,381 — 1,443,569))
26	Moxee	40,448	((41,653 — 82,101))
27	Mukilteo	274,482	((282,662 — 557,144))
28	Naches	7,632	((7,859 — 15,491))
29	Napavine	96,030	((98,892 — 194,922))
30	Nespelem	17,614	((18,139 — 35,753))
31	Newcastle	290,801	((299,467 — 590,268))
32	Newport	13,223	((13,617 — 26,840))
33	Nooksack	58,178	((59,912 — 118,090))
34	Normandy Park	489,113	((503,689 — 992,802))
35	North Bend	20,754	((21,372 — 42,126))
36	North Bonneville	30,574	((31,485 — 62,059))
37	Northport	23,489	((24,189 — 47,678))
38	Oak Harbor	278,157	((286,446 — 564,603))
39	Oakesdale	31,060	((31,986 — 63,046))
40	Oakville	43,411	((44,705 — 88,116))
41	Ocean Shores	64,837	((66,769 — 131,606))
42	Odessa	4,721	((4,862 — 9,583))
43	Okanogan	12,323	((12,690 — 25,013))
44	Olympia	198,476	((204,391 — 402,867))

1	Omak	26,117	((26,895 — 53,012))
2	Oroville	12,506	((12,879 — 25,385))
3	Orting	191,211	((196,909 — 388,120))
4	Othello	26,808	((27,607 — 54,415))
5	Pacific	69,124	((71,184 — 140,308))
6	Palouse	55,067	((56,708 — 111,775))
7	Pasco	131,298	((135,211 — 266,509))
8	Pateros	28,021	((28,856 — 56,877))
9	Pe Ell	54,800	((56,433 — 111,233))
10	Pomeroy	52,485	((54,049 — 106,534))
11	Port Angeles	124,595	((128,308 — 252,903))
12	Port Orchard	41,797	((43,043 — 84,840))
13	Port Townsend	47,126	((48,530 — 95,656))
14	Poulsbo	31,812	((32,760 — 64,572))
15	Prescott	12,349	((12,717 — 25,066))
16	Prosser	24,137	((24,856 — 48,993))
17	Pullman	584,659	((602,082 — 1,186,741))
18	Puyallup	151,732	((156,254 — 307,986))
19	Quincy	20,244	((20,847 — 41,091))
20	Rainier	111,521	((114,844 — 226,365))
21	Raymond	85,311	((87,853 — 173,164))
22	Reardan	38,184	((39,322 — 77,506))
23	Redmond	215,259	((221,674 — 436,933))
24	Renton	235,053	((242,058 — 477,111))
25	Republic	25,085	((25,833 — 50,918))
26	Richland	441,733	((454,897 — 896,630))
27	Ridgefield	55,637	((57,295 — 112,932))
28	Ritzville	8,498	((8,751 — 17,249))
29	Riverside	27,204	((28,015 — 55,219))
30	Rock Island	36,527	((37,616 — 74,143))
31	Rockford	18,965	((19,530 — 38,495))
32	Rosalia	36,719	((37,813 — 74,532))
33	Roslyn	64,571	((66,495 — 131,066))
34	Roy	1,709	((1,760 — 3,469))
35	Royal City	66,657	((68,643 — 135,300))
36	Ruston	50,309	((51,808 — 102,117))
37	Sammamish	2,361,433	((2,431,804 — 4,793,237))
38	Seatac	132,183	((136,122 — 268,305))
39	Seattle	3,189,346	((3,284,389 — 6,473,735))
40	Sedro-Woolley	54,896	((56,532 — 111,428))
41	Selah	80,704	((83,109 — 163,813))
42	Sequim	21,867	((22,519 — 44,386))
43	Shelton	58,160	((59,893 — 118,053))
44	Shoreline	1,485,138	((1,529,395 — 3,014,533))

1	Skykomish	1,417	((1,459 — 2,876))
2	Snohomish	40,722	((41,936 — 82,658))
3	Snoqualmie	9,587	((9,873 — 19,460))
4	Soap Lake	102,783	((105,846 — 208,629))
5	South Bend	75,826	((78,086 — 153,912))
6	South Cle Elum	46,847	((48,243 — 95,090))
7	South Prairie	18,788	((19,348 — 38,136))
8	Spangle	1,397	((1,439 — 2,836))
9	Spokane	1,116,419	((1,149,688 — 2,266,107))
10	Sprague	22,930	((23,613 — 46,543))
11	Springdale	11,080	((11,410 — 22,490))
12	St. John	4,245	((4,372 — 8,617))
13	Stanwood	21,141	((21,771 — 42,912))
14	Starbuck	8,949	((9,216 — 18,165))
15	Steilacoom	285,807	((294,324 — 580,131))
16	Stevenson	11,673	((12,021 — 23,694))
17	Sultan	63,199	((65,082 — 128,281))
18	Sumas	7,885	((8,120 — 16,005))
19	Sumner	41,931	((43,181 — 85,112))
20	Sunnyside	70,805	((72,915 — 143,720))
21	Tacoma	1,384,646	((1,425,908 — 2,810,554))
22	Tekoa	49,373	((50,844 — 100,217))
23	Tenino	68,820	((70,871 — 139,691))
24	Tieton	74,506	((76,726 — 151,232))
25	Toledo	8,084	((8,325 — 16,409))
26	Tonasket	5,500	((5,664 — 11,164))
27	Toppenish	443,488	((456,704 — 900,192))
28	Tukwila	75,320	((77,565 — 152,885))
29	Tumwater	61,848	((63,691 — 125,539))
30	Twisp	4,793	((4,936 — 9,729))
31	Union Gap	27,129	((27,937 — 55,066))
32	Uniontown	19,805	((20,395 — 40,200))
33	University Place	1,889,912	((1,946,231 — 3,836,143))
34	Vader	40,643	((41,854 — 82,497))
35	Vancouver	1,177,584	((1,212,676 — 2,390,260))
36	Waitsburg	81,097	((83,514 — 164,611))
37	Walla Walla	318,679	((328,176 — 646,855))
38	Wapato	230,783	((237,660 — 468,443))
39	Warden	105,612	((108,759 — 214,371))
40	Washougal	177,022	((182,297 — 359,319))
41	Washtucna	20,654	((21,269 — 41,923))
42	Waterville	72,880	((75,052 — 147,932))
43	Waverly	10,256	((10,562 — 20,818))
44	Wenatchee	147,602	((152,001 — 299,603))

1	West Richland	489,752	((504,347 994,099))
2	Westport	13,715	((14,124 27,839))
3	White Salmon	53,746	((55,348 109,094))
4	Wilbur	23,614	((24,318 47,932))
5	Wilkeson	18,762	((19,321 38,083))
6	Wilson Creek	18,403	((18,951 37,354))
7	Winlock	35,212	((36,261 71,473))
8	Winthrop	1,756	((1,808 3,564))
9	Woodinville	56,052	((57,722 113,774))
10	Woodland	17,960	((18,495 36,455))
11	Woodway	12,513	((12,886 25,399))
12	Yacolt	36,636	((37,728 74,364))
13	Yakima	487,766	((502,301 990,067))
14	Yarrow Point	32,121	((33,078 65,199))
15	Yelm	15,677	((16,144 31,821))
16	Zillah	100,818	((103,822 204,640))
17	TOTAL APPROPRIATIONS	45,545,942	((46,903,217 92,449,159))

18 (2) \$338,668 for fiscal year 2002 (~~and \$348,622 for fiscal year 2003~~)
19 from this appropriation (~~are~~) is provided solely to address the
20 contingencies listed in this subsection. The department shall distribute
21 the moneys no later than March 31, 2002, (~~and March 31, 2003,~~) for the
22 respective appropriations. Moneys shall be distributed for the following
23 purposes, ranked in order of priority:

24 (a) To correct for data errors in the determination of distributions in
25 subsection (1) of this section;

26 (b) To distribute to newly qualifying jurisdictions as if the
27 jurisdiction had been in existence prior to November 1999;

28 (c) To allocate under emergency situations as determined by the
29 director of the department of community, trade, and economic development in
30 consultation with the association of Washington cities; and

31 (d) After April 1 (~~st of each year in the fiscal biennium ending June~~
32 ~~30, 2003~~), 2001, any moneys remaining from the amounts provided in this
33 subsection shall be prorated and distributed to cities and towns on the
34 basis of the amounts distributed for emergency considerations in November
35 2000 as provided in section 729, chapter 1, Laws of 2000, 2nd sp. sess.

36 **Sec. 724.** 2001 2nd sp.s. c 7 s 730 (uncodified) is amended to read as
37 follows:

1 **FOR THE LIABILITY ACCOUNT**

2	<u>General Fund--State Appropriation (FY 2002)</u>	. . . . .	\$	<u>12,000,000</u>
3	General Fund--State Appropriation (FY 2003)	. . . . .	\$	(6,392,000)
4				<u>19,392,000</u>
5	((State Surplus Assets Reserve Fund--State			
6	Appropriation	. . . . .	\$	25,000,000))
7	TOTAL APPROPRIATION	. . . . .	\$	31,392,000

8 The appropriations in this section are provided solely for deposit in
9 the liability account.

10 NEW SECTION. Sec. 725. A new section is added to 2001 2nd sp.s. c 7
11 (uncodified) to read as follows:

12 **FOR SUNDRY CLAIMS.** The following sums, or so much thereof as may be
13 necessary, are appropriated from the general fund, unless otherwise
14 indicated, for relief of various individuals, firms, and corporations for
15 sundry claims. These appropriations are to be disbursed on vouchers
16 approved by the director of general administration, except as otherwise
17 provided, as follows:

18 (1) Reimbursement of criminal defendants acquitted on the basis of
19 self-defense, pursuant to RCW 9A.16.110:

20	(a) Eythor Westman, claim number SCJ 02-01	. . . . .	\$	7,000
21	(b) Stacey Julian, claim number SCJ 02-02	. . . . .	\$	59,136
22	(c) Christopher Denney, claim number SCJ 02-03	. . . . .	\$	11,598
23	(d) Onofre Vasquez, claim number SCJ 02-04	. . . . .	\$	200
24	(e) William Voorhees, claim number SCJ 02-05	. . . . .	\$	3,694
25	(f) Glenn Rowlison, claim number SCJ 02-06	. . . . .	\$	14,395
26	(g) Frankie Doerr, claim number SCJ 02-07	. . . . .	\$	9,100
27	(h) Ralph Howard, claim number SCJ 00-09	. . . . .	\$	99,497
28	(i) Johnny Adams, claim number SCJ 01-17	. . . . .	\$	11,916
29	(j) Shane Mathus, claim number SCJ 02-08	. . . . .	\$	13,043
30	(k) Timothy Farnum, claim number SCJ 02-09	. . . . .	\$	21,822
31	(l) Rebecca Williams, claim number SCJ 02-10	. . . . .	\$	2,241
32	(m) Stewart Bailey, claim number SCJ 02-11	. . . . .	\$	4,186
33	(n) Aaron Knaack, claim number SCJ 02-13	. . . . .	\$	4,330
34	(o) Jacob Clark, claim number SCJ 02-14	. . . . .	\$	11,613

PART VIII

OTHER TRANSFERS AND APPROPRIATIONS

Sec. 801. 2001 2nd sp.s. c 7 s 801 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER--STATE REVENUES FOR DISTRIBUTION

General Fund Appropriation for fire insurance

premium distributions	\$	((6,528,600))
		<u>7,526,700</u>

General Fund Appropriation for public utility

district excise tax distributions	\$	((36,427,306))
		<u>34,754,723</u>

General Fund Appropriation for prosecuting

attorney distributions	\$	((3,090,000))
		<u>3,110,000</u>

General Fund Appropriation for boating safety/
education and law enforcement

distributions	\$	3,780,000
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General Fund Appropriation for other tax

distributions	\$	((39,566))
		<u>1,951,556</u>

Death Investigations Account Appropriation for
distribution to counties for publicly

funded autopsies	\$	1,621,537
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Aquatic Lands Enhancement Account Appropriation
for harbor improvement revenue

distribution	\$	147,500
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Timber Tax Distribution Account Appropriation for

distribution to "timber" counties	\$	((68,562,000))
		<u>57,405,032</u>

County Criminal Justice Assistance

Appropriation	\$	49,835,213
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Municipal Criminal Justice Assistance

1	Appropriation	\$	19,988,097
2	Liquor Excise Tax Account Appropriation for		
3	liquor excise tax distribution	\$	28,659,331
4	Liquor Revolving Account Appropriation for		
5	liquor profits distribution	\$	((55,344,817))
6			<u>59,898,641</u>
7	TOTAL APPROPRIATION	\$	((274,023,967))
8			<u>268,678,330</u>

9 The total expenditures from the state treasury under the appropriations
10 in this section shall not exceed the funds available under statutory
11 distributions for the stated purposes.

12 **Sec. 802.** 2001 2nd sp.s. c 7 s 805 (uncodified) is amended to read as
13 follows:

14 **FOR THE STATE TREASURER--TRANSFERS**

15 For transfers in this section to the state general fund, pursuant to
16 RCW 43.135.035(5), the state expenditure limit shall be increased by the
17 amount of the transfer. The increase shall occur in the fiscal year in
18 which the transfer occurs.

19 Public Facilities Construction Loan and
20 Grant Revolving Account: For transfer
21 to the digital government revolving account
22 on or before December 31, 2001 \$ 1,418,456

23 Financial Services Regulation Fund: To be
24 transferred from the financial services
25 regulation fund to the digital government
26 revolving account during the period
27 between July 1, 2001, and December 31,
28 2001 \$ 2,000,000

29 Local Toxics Control Account: For transfer
30 to the state toxics control account.
31 Transferred funds will be utilized
32 for methamphetamine lab cleanup, to

1 address areawide soil contamination
 2 problems, and clean up contaminated
 3 sites as part of the clean sites
 4 initiative \$ 6,000,000
 5 State Toxics Control Account: For transfer
 6 to the water quality account for water
 7 quality related projects funded in the
 8 capital budget \$ 9,000,000
 9 General Fund: For transfer to the flood
 10 control assistance account \$ 4,000,000
 11 Water Quality Account: For transfer to the
 12 water pollution control account. Transfers
 13 shall be made at intervals coinciding with
 14 deposits of federal capitalization grant
 15 money into the account. The amounts
 16 transferred shall not exceed the match
 17 required for each federal deposit \$ 12,564,487
 18 Health Services Account: For transfer
 19 to the water quality account \$ 6,447,500
 20 State Treasurer's Service Account: For
 21 transfer to the general fund on or
 22 before June 30, 2003, an amount in excess
 23 of the cash requirements of the state
 24 treasurer's service account. Pursuant to
 25 RCW 43.135.035(5), the state expenditure
 26 limit shall be increased by \$4,000,000 in
 27 fiscal year 2002 and by \$8,587,000 in fiscal
 28 year 2003 to reflect this transfer \$ ((8,000,000))
 29 12,587,000
 30 Public Works Assistance Account: For
 31 transfer to the drinking water
 32 assistance account \$ 7,700,000
 33 Tobacco Settlement Account: For transfer
 34 to the health services account, in an
 35 amount not to exceed the actual balance

1	of the tobacco settlement account \$	((310,000,000))
2		<u>265,000,000</u>
3	General Fund: For transfer to the water quality	
4	account \$	((60,325,000))
5		<u>60,821,172</u>
6	Health Services Account: For	
7	transfer to the state general fund	
8	by June 30, 2002. Pursuant to RCW	
9	43.135.035(5), the state expenditure	
10	limit shall be increased in fiscal	
11	year 2002 to reflect this transfer \$	130,000,000
12	Health Services Account: For	
13	transfer to the state general fund	
14	((by)) on June ((30)) <u>28</u> , 2003. Pursuant	
15	to RCW 43.135.035(5), the state expenditure	
16	limit shall be increased in fiscal	
17	year 2003 to reflect this transfer \$	20,000,000
18	((State Surplus Assets Reserve Fund: For	
19	transfer to the multimodal transportation	
20	account by June 30, 2002 \$	70,000,000))
21	Multimodal Transportation Account: For	
22	transfer to the state general fund	
23	by June 30, 2002. Pursuant to RCW	
24	43.135.035(5), the state expenditure	
25	limit shall be increased in fiscal	
26	year 2002 to reflect this transfer \$	70,000,000
27	<u>Health Service Account: For transfer</u>	
28	<u>to the violence reduction and drug</u>	
29	<u>enforcement account \$</u>	<u>6,497,500</u>
30	<u>Gambling Revolving Account: For transfer</u>	
31	<u>to the state general fund, \$2,000,000</u>	
32	<u>for fiscal year 2002 and \$450,000 for</u>	
33	<u>fiscal year 2003 \$</u>	<u>2,450,000</u>
34	<u>Horticultural Districts Account: For transfer</u>	
35	<u>to the fruit and vegetable inspection</u>	

1	<u>account</u>	<u>\$ 11,075,000</u>
2	<u>Agricultural Local Account: For</u>	
3	<u>transfer to the fruit and vegetable</u>	
4	<u>inspection account</u>	<u>\$ 605,000</u>
5	<u>Nisqually Earthquake Account: For transfer to</u>	
6	<u>the disaster response account for fire</u>	
7	<u>suppression and mobilization costs</u>	<u>\$ 32,698,000</u>
8	<u>Enhanced 911 Account: For transfer to</u>	
9	<u>the state general fund for fiscal</u>	
10	<u>year 2003</u>	<u>\$ 6,000,000</u>
11	<u>Clarke-McNary Fund: For transfer to the</u>	
12	<u>state general fund for fiscal year 2002</u>	<u>\$ 4,000,000</u>
13	<u>State Investment Board Expense Account: For</u>	
14	<u>transfer to the state general fund for</u>	
15	<u>fiscal year 2003</u>	<u>\$ 194,000</u>
16	<u>State Drought Preparedness Account: For</u>	
17	<u>transfer to the state general fund for</u>	
18	<u>fiscal year 2002</u>	<u>\$ 3,000,000</u>
19	<u>Financial Services Regulation Fund: For</u>	
20	<u>transfer to the state general fund,</u>	
21	<u>\$2,250,000 for fiscal year 2002 and</u>	
22	<u>\$357,000 for fiscal year 2003</u>	<u>\$ 2,607,000</u>
23	<u>Off-Road Vehicle (ORV) Account: For</u>	
24	<u>transfer to the state general fund</u>	
25	<u>for fiscal year 2003</u>	<u>\$ 57,000</u>
26	<u>Snowmobile Account: For transfer</u>	
27	<u>to the state general fund for</u>	
28	<u>fiscal year 2003</u>	<u>\$ 70,000</u>
29	<u>Insurance Commissioner's Regulatory Account:</u>	
30	<u>For transfer to the state general fund</u>	
31	<u>for fiscal year 2003</u>	<u>\$ 366,000</u>
32	<u>Worker and Community Right to Know Account:</u>	
33	<u>For transfer to the state general fund</u>	
34	<u>for fiscal year 2003</u>	<u>\$ 53,000</u>
35	<u>Industrial Insurance Premium Refund Account:</u>	

1	<u>For transfer to the state general fund</u>	
2	<u>for fiscal year 2002</u>	<u>\$ 1,000,000</u>
3	<u>Liquor Control Board Construction and</u>	
4	<u>Maintenance Account: For transfer</u>	
5	<u>to the state general fund for fiscal</u>	
6	<u>year 2003</u>	<u>\$ 1,067,000</u>
7	<u>Horse Racing Commission Account: For transfer</u>	
8	<u>to the state general fund for fiscal</u>	
9	<u>year 2003</u>	<u>\$ 68,000</u>
10	<u>State Convention and Trade Center Operations</u>	
11	<u>Account: For transfer to the state</u>	
12	<u>general fund for fiscal year 2003</u>	<u>\$ 579,000</u>
13	<u>Lottery Administrative Account: For transfer</u>	
14	<u>to the state general fund for fiscal</u>	
15	<u>year 2003</u>	<u>\$ 335,000</u>
16	<u>Waste Reduction, Recycling, and Litter Control</u>	
17	<u>Account: For transfer to the state general</u>	
18	<u>fund for fiscal year 2003</u>	<u>\$ 187,000</u>
19	<u>Air Operating Permit Account: For transfer</u>	
20	<u>to the state general fund for fiscal</u>	
21	<u>year 2003</u>	<u>\$ 54,000</u>
22	<u>Hazardous Waste Assistance Account: For</u>	
23	<u>transfer to the state general fund</u>	
24	<u>for fiscal year 2003</u>	<u>\$ 54,000</u>
25	<u>Local Toxics Control Account: For transfer</u>	
26	<u>to the state general fund, \$4,000,000</u>	
27	<u>for fiscal year 2002 and \$77,000 for</u>	
28	<u>fiscal year 2003</u>	<u>\$ 4,077,000</u>
29	<u>State Toxics Control Account: For transfer</u>	
30	<u>to the state general fund for fiscal</u>	
31	<u>year 2003</u>	<u>\$ 770,000</u>
32	<u>Water Quality Account: For transfer</u>	
33	<u>to the state general fund for fiscal</u>	
34	<u>year 2003</u>	<u>\$ 40,000</u>
35	<u>Emergency Medical Services and Trauma Care</u>	

1	<u>System Trust Account: For transfer</u>	
2	<u>to the state general fund for fiscal</u>	
3	<u>year 2002</u>	<u>\$ 6,000,000</u>
4	<u>Wildlife Account: For transfer to the state</u>	
5	<u>general fund for fiscal year 2003</u>	<u>\$ 723,000</u>
6	<u>Warm Water Game Fish Account: For transfer</u>	
7	<u>to the state general fund for fiscal</u>	
8	<u>year 2003</u>	<u>\$ 49,000</u>
9	<u>Aquatic Lands Enhancement Account: For transfer</u>	
10	<u>to the state general fund for fiscal</u>	
11	<u>year 2003</u>	<u>\$ 197,000</u>
12	<u>State Parks Renewal and Stewardship Account:</u>	
13	<u>For transfer to the state general fund</u>	
14	<u>for fiscal year 2003</u>	<u>\$ 378,000</u>
15	<u>Public Service Revolving Account: For transfer</u>	
16	<u>to the state general fund for fiscal</u>	
17	<u>year 2003</u>	<u>\$ 406,000</u>
18	<u>Local Leasehold Excise Tax Account: For transfer</u>	
19	<u>of interest to the state general fund by</u>	
20	<u>June 1, 2002, for fiscal year 2002</u>	<u>\$ 1,000,000</u>
21	<u>Water Quality Permit Account: For transfer</u>	
22	<u>to the state general fund for fiscal</u>	
23	<u>year 2003</u>	<u>\$ 362,000</u>
24	<u>Oil Spill Prevention Account: For transfer</u>	
25	<u>to the state general fund for fiscal</u>	
26	<u>year 2003</u>	<u>\$ 163,000</u>

27 (End of part)

PART IX
MISCELLANEOUS

Sec. 901. RCW 9.46.100 and 1991 sp.s. c 16 s 917 are each amended to read as follows:

There is hereby created the gambling revolving fund which shall consist of all moneys receivable for licensing, penalties, forfeitures, and all other moneys, income, or revenue received by the commission. The state treasurer shall be custodian of the fund. All moneys received by the commission or any employee thereof, except for change funds and an amount of petty cash as fixed by rule or regulation of the commission, shall be deposited each day in a depository approved by the state treasurer and transferred to the state treasurer to be credited to the gambling revolving fund. Disbursements from the revolving fund shall be on authorization of the commission or a duly authorized representative thereof. In order to maintain an effective expenditure and revenue control the gambling revolving fund shall be subject in all respects to chapter 43.88 RCW but no appropriation shall be required to permit expenditures and payment of obligations from such fund. All expenses relative to commission business, including but not limited to salaries and expenses of the director and other commission employees shall be paid from the gambling revolving fund.

~~((The state treasurer shall transfer to the general fund one million dollars from the gambling revolving fund for the 1991-93 fiscal biennium.))~~
During the 2001-2003 fiscal biennium, the legislature may transfer from the gambling revolving fund to the state general fund such amounts as reflect the excess fund balance of the fund and reductions made by the 2002 supplemental appropriations act for administrative efficiencies and savings.

Sec. 902. RCW 28B.50.837 and 1993 c 87 s 1 are each amended to read as follows:

(1) The Washington community and technical college exceptional faculty awards program is established. The program shall be administered by the

1 college board. The college faculty awards trust fund hereby created shall
2 be administered by the state treasurer.

3 (2) Funds appropriated by the legislature for the community and
4 technical college exceptional faculty awards program shall be deposited in
5 the college faculty awards trust fund. At the request of the college board,
6 the treasurer shall release the state matching funds to the local endowment
7 fund of the college or its foundation. No appropriation is necessary for
8 the expenditure of moneys from the fund. During the 2001-2003 fiscal
9 biennium, the legislature may appropriate funds from the college faculty
10 awards trust fund for the purposes of the settlement costs of theMader v.
11 State litigation regarding retirement contributions on behalf of part-time
12 faculty.

13 **Sec. 903.** RCW 38.52.106 and 2001 c 5 s 2 are each amended to read as
14 follows:

15 The Nisqually earthquake account is created in the state treasury.
16 Moneys may be placed in the account from tax revenues, budget transfers or
17 appropriations, federal appropriations, gifts, or any other lawful source.
18 Moneys in the account may be spent only after appropriation. Moneys in the
19 account shall be used only to support state and local government disaster
20 response and recovery efforts associated with the Nisqually earthquake.
21 During the 2001-2003 fiscal biennium, the legislature may transfer moneys
22 from the Nisqually earthquake account to the disaster response account for
23 fire suppression and mobilization costs.

24 **Sec. 904.** RCW 38.52.540 and 2001 c 128 s 2 are each amended to read as
25 follows:

26 The enhanced 911 account is created in the state treasury. All
27 receipts from the state enhanced 911 excise tax imposed by RCW 82.14B.030
28 shall be deposited into the account. Moneys in the account shall be used
29 only to support the statewide coordination and management of the enhanced
30 911 system and to help supplement, within available funds, the operational
31 costs of the system. Funds shall not be distributed to any county that has
32 not imposed the maximum county enhanced 911 taxes allowed under RCW
33 82.14B.030 (1) and (2). The state enhanced 911 coordinator, with the advice

1 and assistance of the enhanced 911 advisory committee, is authorized to
2 enter into statewide agreements to improve the efficiency of enhanced 911
3 services for all counties and shall specify by rule the additional purposes
4 for which moneys, if available, may be expended from this account. During
5 the 2001-2003 fiscal biennium, the legislature may transfer from the
6 enhanced 911 account to the state general fund such amounts as reflect the
7 excess fund balance of the account.

8 **Sec. 905.** RCW 41.06.150 and 1999 c 297 s 3 are each amended to read as
9 follows:

10 The board shall adopt rules, consistent with the purposes and
11 provisions of this chapter, as now or hereafter amended, and with the best
12 standards of personnel administration, regarding the basis and procedures
13 to be followed for:

14 (1) The reduction, dismissal, suspension, or demotion of an employe

15 (2) Certification of names for vacancies, including departmental
16 promotions, with the number of names equal to six more names than there are
17 vacancies to be filled, such names representing applicants rated highest on
18 eligibility lists: PROVIDED, That when other applicants have scores equal
19 to the lowest score among the names certified, their names shall also be
20 certified;

21 (3) Examinations for all positions in the competitive and
22 noncompetitive service;

23 (4) Appointments;

24 (5) Training and career development;

25 (6) Probationary periods of six to twelve months and rejections of
26 probationary employees, depending on the job requirements of the class,
27 except that entry level state park rangers shall serve a probationary period
28 of twelve months;

29 (7) Transfers;

30 (8) Sick leaves and vacations;

31 (9) Hours of work;

32 (10) Layoffs when necessary and subsequent reemployment, both according
33 to seniority;

(11) Determination of appropriate bargaining units within any agency: PROVIDED, That in making such determination the board shall consider the duties, skills, and working conditions of the employees, the history of collective bargaining by the employees and their bargaining representatives, the extent of organization among the employees, and the desires of the employees;

(12) Certification and decertification of exclusive bargaining representatives: PROVIDED, That after certification of an exclusive bargaining representative and upon the representative's request, the director shall hold an election among employees in a bargaining unit to determine by a majority whether to require as a condition of employment membership in the certified exclusive bargaining representative on or after the thirtieth day following the beginning of employment or the date of such election, whichever is the later, and the failure of an employee to comply with such a condition of employment constitutes cause for dismissal: PROVIDED FURTHER, That no more often than once in each twelve-month period after expiration of twelve months following the date of the original election in a bargaining unit and upon petition of thirty percent of the members of a bargaining unit the director shall hold an election to determine whether a majority wish to rescind such condition of employment: PROVIDED FURTHER, That for purposes of this clause, membership in the certified exclusive bargaining representative is satisfied by the payment of monthly or other periodic dues and does not require payment of initiation, reinstatement, or any other fees or fines and includes full and complete membership rights: AND PROVIDED FURTHER, That in order to safeguard the right of nonassociation of public employees, based on bona fide religious tenets or teachings of a church or religious body of which such public employee is a member, such public employee shall pay to the union, for purposes within the program of the union as designated by such employee that would be in harmony with his or her individual conscience, an amount of money equivalent to regular union dues minus any included monthly premiums for union-sponsored insurance programs, and such employee shall not be a member of the union but is entitled to all the representation rights of a union member;

1 (13) Agreements between agencies and certified exclusive bargaining
2 representatives providing for grievance procedures and collective
3 negotiations on all personnel matters over which the appointing authority
4 of the appropriate bargaining unit of such agency may lawfully exercise
5 discretion;

6 (14) Written agreements may contain provisions for payroll deductions
7 of employee organization dues upon authorization by the employee member and
8 for the cancellation of such payroll deduction by the filing of a proper
9 prior notice by the employee with the appointing authority and the employee
10 organization: PROVIDED, That nothing contained herein permits or grants to
11 any employee the right to strike or refuse to perform his or her official
12 duties;

13 (15) Adoption and revision of a comprehensive classification plan for
14 all positions in the classified service, based on investigation and analysis
15 of the duties and responsibilities of each such position.

16 (a) The board shall not adopt job classification revisions or class
17 studies unless implementation of the proposed revision or study will result
18 in net cost savings, increased efficiencies, or improved management of
19 personnel or services, and the proposed revision or study has been approved
20 by the director of financial management in accordance with chapter 43.88
21 RCW.

22 (b) Beginning July 1, 1995, through June 30, 1997, in addition to the
23 requirements of (a) of this subsection:

24 (i) The board may approve the implementation of salary increases
25 resulting from adjustments to the classification plan during the 1995-97
26 fiscal biennium only if:

27 (A) The implementation will not result in additional net costs and the
28 proposed implementation has been approved by the director of financial
29 management in accordance with chapter 43.88 RCW;

30 (B) The implementation will take effect on July 1, 1996, and the total
31 net cost of all such actions approved by the board for implementation during
32 the 1995-97 fiscal biennium does not exceed the amounts specified by the
33 legislature specifically for this purpose; or

34 (C) The implementation is a result of emergent conditions. Emergent
35 conditions are defined as emergency situations requiring the establishment

1 of positions necessary for the preservation of the public health, safety,
2 or general welfare, which do not exceed \$250,000 of the moneys identified
3 in section 718(2), chapter 18, Laws of 1995 2nd sp. sess.

4 (ii) The board shall approve only those salary increases resulting from
5 adjustments to the classification plan if they are due to documented
6 recruitment and retention difficulties, salary compression or inversion,
7 increased duties and responsibilities, or inequities. For these purposes,
8 inequities are defined as similar work assigned to different job classes
9 with a salary disparity greater than 7.5 percent.

10 (iii) Adjustments made to the higher education hospital special pay
11 plan are exempt from (b)(i) through (ii) of this subsection.

12 (c) Reclassifications, class studies, and salary adjustments to be
13 implemented during the 1997-99 and subsequent fiscal biennia are governed
14 by (a) of this subsection and RCW 41.06.152;

15 (16) Allocation and reallocation of positions within the classification
16 plan;

17 (17) Adoption and revision of a state salary schedule to reflect the
18 prevailing rates in Washington state private industries and other
19 governmental units but the rates in the salary schedules or plans shall be
20 increased if necessary to attain comparable worth under an implementation
21 plan under RCW 41.06.155 and that, for institutions of higher education and
22 related boards, shall be competitive for positions of a similar nature in
23 the state or the locality in which an institution of higher education or
24 related board is located, such adoption and revision subject to approval by
25 the director of financial management in accordance with the provisions of
26 chapter 43.88 RCW;

27 (18) Increment increases within the series of steps for each pay grade
28 based on length of service for all employees whose standards of performance
29 are such as to permit them to retain job status in the classified service;

30 (19) Optional lump sum relocation compensation approved by the agency
31 director, whenever it is reasonably necessary that a person make a
32 domiciliary move in accepting a transfer or other employment with the state.
33 An agency must provide lump sum compensation within existing resources. If
34 the person receiving the relocation payment terminates or causes termination
35 with the state, for reasons other than layoff, disability separation, or

1 other good cause as determined by an agency director, within one year of the
2 date of the employment, the state is entitled to reimbursement of the lump
3 sum compensation from the person;

4 (20) Providing for veteran's preference as required by existing
5 statutes, with recognition of preference in regard to layoffs and subsequent
6 reemployment for veterans and their surviving spouses by giving such
7 eligible veterans and their surviving spouses additional credit in computing
8 their seniority by adding to their unbroken state service, as defined by the
9 board, the veteran's service in the military not to exceed five years. For
10 the purposes of this section, "veteran" means any person who has one or more
11 years of active military service in any branch of the armed forces of the
12 United States or who has less than one year's service and is discharged with
13 a disability incurred in the line of duty or is discharged at the
14 convenience of the government and who, upon termination of such service has
15 received an honorable discharge, a discharge for physical reasons with an
16 honorable record, or a release from active military service with evidence
17 of service other than that for which an undesirable, bad conduct, or
18 dishonorable discharge shall be given: PROVIDED, HOWEVER, That the
19 surviving spouse of a veteran is entitled to the benefits of this section
20 regardless of the veteran's length of active military service: PROVIDED
21 FURTHER, That for the purposes of this section "veteran" does not include
22 any person who has voluntarily retired with twenty or more years of active
23 military service and whose military retirement pay is in excess of five
24 hundred dollars per month;

25 (21) Permitting agency heads to delegate the authority to appoint,
26 reduce, dismiss, suspend, or demote employees within their agencies if such
27 agency heads do not have specific statutory authority to so delegate:
28 PROVIDED, That the board may not authorize such delegation to any position
29 lower than the head of a major subdivision of the agency;

30 (22) Assuring persons who are or have been employed in classified
31 positions before July 1, 1993, will be eligible for employment,
32 reemployment, transfer, and promotion in respect to classified positions
33 covered by this chapter;

34 (23) Affirmative action in appointment, promotion, transfer,
35 recruitment, training, and career development; development and

1 implementation of affirmative action goals and timetables; and monitoring
2 of progress against those goals and timetables.

3 The board shall consult with the human rights commission in the
4 development of rules pertaining to affirmative action. The department of
5 personnel shall transmit a report annually to the human rights commission
6 which states the progress each state agency has made in meeting affirmative
7 action goals and timetables.

8 Notwithstanding this section and rules of the board adopted under this
9 section, agencies may place employees on temporary unpaid leave during the
10 2001-2003 fiscal biennium for the purpose of implementing appropriations
11 reductions enacted in the 2002 supplemental appropriations act.

12 **Sec. 906.** RCW 43.03.060 and 1990 c 30 s 2 are each amended to read as
13 follows:

14 (1) Whenever it becomes necessary for elective or appointive officials
15 or employees of the state to travel away from their designated posts of duty
16 while engaged on official business, and it is found to be more advantageous
17 or economical to the state that travel be by a privately-owned vehicle
18 rather than a common carrier or a state-owned or operated vehicle, a mileage
19 rate established by the director of financial management shall be allowed.
20 The mileage rate established by the director shall not exceed any rate set
21 by the United States treasury department above which the substantiation
22 requirements specified in Treasury Department Regulations section 1.274-
23 5T(a)(1), as now law or hereafter amended, will apply. During the 2001-2003
24 fiscal biennium, the rate established under this subsection shall not exceed
25 twenty-five cents per mile.

26 (2) The director of financial management may prescribe and regulate the
27 specific mileage rate or other allowance for the use of privately-owned
28 vehicles or common carriers on official business and the conditions under
29 which reimbursement of transportation costs may be allowed. The
30 reimbursement or other payment for transportation expenses of any employee
31 or appointive official of the state shall be based on the method deemed most
32 advantageous or economical to the state.

33 (3) The mileage rate established by the director of financial
34 management pursuant to this section and any subsequent changes thereto shall

1 be reported to the ways and means committees of the house of representatives
2 and the senate at each regular session of the legislature.

3 **Sec. 907.** RCW 43.10.220 and 1999 c 309 s 916 are each amended to read
4 as follows:

5 The attorney general is authorized to expend from the antitrust
6 revolving fund, created by RCW 43.10.210 through 43.10.220, such funds as
7 are necessary for the payment of costs, expenses and charges incurred in the
8 preparation, institution and maintenance of antitrust actions under the
9 state and federal antitrust acts. During the ((1999-01)) 2001-03 fiscal
10 biennium, the attorney general may expend ((up to one million three hundred
11 thousand dollars)) from the antitrust revolving fund for the purposes of
12 ((implementing a case management data processing system for the centralized
13 management of cases and workload, including antitrust and other complex
14 litigation)) the consumer protection activities of the office.

15 **Sec. 908.** RCW 43.30.360 and 1986 c 100 s 46 are each amended to read
16 as follows:

17 The department and Washington State University may each receive funds
18 from the federal government in connection with cooperative work with the
19 United States department of agriculture, authorized by sections 4 and 5 of
20 the Clarke-McNary act of congress, approved June 7, 1924, providing for the
21 procurement, protection, and distribution of forestry seed and plants for
22 the purpose of establishing windbreaks, shelter belts, and farm wood lots
23 and to assist the owners of farms in establishing, improving, and renewing
24 wood lots, shelter belts, and windbreaks; and are authorized to disburse
25 such funds as needed. During the 2001-2003 fiscal biennium, the legislature
26 may transfer from the Clarke-McNary fund to the state general fund such
27 amounts as reflect the excess fund balance of the Clarke-McNary fund.

28 **Sec. 909.** RCW 43.33A.160 and 1991 sp.s. c 13 s 32 are each amended to
29 read as follows:

30 (1) The state investment board shall be funded from the earnings of the
31 funds managed by the state investment board, proportional to the value of
32 the assets of each fund, subject to legislative appropriation.

(2) There is established in the state treasury a state investment board expense account from which shall be paid the operating expenses of the state investment board. Prior to November 1 of each even-numbered year, the state investment board shall determine and certify to the state treasurer and the office of financial management the value of the various funds managed by the investment board in order to determine the proportional liability of the funds for the operating expenses of the state investment board. Pursuant to appropriation, the state treasurer is authorized to transfer such moneys from the various funds managed by the investment board to the state investment board expense account as are necessary to pay the operating expenses of the investment board. During the 2001-2003 fiscal biennium, the legislature may transfer from the state investment board expense account to the state general fund such amounts as reflect the appropriations reductions made by the 2002 supplemental appropriations act for administrative efficiencies and savings.

Sec. 910. RCW 43.72.900 and 2002 c 2 s 2 (Initiative Measure No. 773) are each amended to read as follows:

(1) The health services account is created in the state treasury. Moneys in the account may be spent only after appropriation. Subject to the transfers described in subsection (3) of this section, moneys in the account may be expended only for maintaining and expanding health services access for low-income residents, maintaining and expanding the public health system, maintaining and improving the capacity of the health care system, containing health care costs, and the regulation, planning, and administering of the health care system.

(2) Funds deposited into the health services account under RCW 82.24.028 and 82.26.028 shall be used solely as follows:

(a) Five million dollars for the state fiscal year beginning July 1, 2002, and five million dollars for the state fiscal year beginning July 1, 2003, shall be appropriated by the legislature for programs that effectively improve the health of low-income persons, including efforts to reduce diseases and illnesses that harm low-income persons. The department of health shall submit a report to the legislature on March 1, 2002, evaluating the cost-effectiveness of programs that improve the health of low-income

1 persons and address diseases and illnesses that disproportionately affect
2 low-income persons, and making recommendations to the legislature on which
3 of these programs could most effectively utilize the funds appropriated
4 under this subsection.

5 (b) Ten percent of the funds deposited into the health services account
6 under RCW 82.24.028 and 82.26.028 remaining after the appropriation under
7 (a) of this subsection shall be transferred no less frequently than annually
8 by the treasurer to the tobacco prevention and control account established
9 by RCW 43.79.480. The funds transferred shall be used exclusively for
10 implementation of the Washington state tobacco prevention and control plan
11 and shall be used only to supplement, and not supplant, funds in the tobacco
12 prevention and control account as of January 1, 2001, however, these funds
13 may be used to replace funds appropriated by the legislature for further
14 implementation of the Washington state tobacco prevention and control plan
15 for the biennium beginning July 1, 2001. For each state fiscal year
16 beginning on and after July 1, 2002, the legislature shall appropriate no
17 less than twenty-six million two hundred forty thousand dollars from the
18 tobacco prevention and control account for implementation of the Washington
19 state tobacco prevention and control plan.

20 (c) Because of its demonstrated effectiveness in improving the health
21 of low-income persons and addressing illnesses and diseases that harm low-
22 income persons, the remainder of the funds deposited into the health
23 services account under RCW 82.24.028 and 82.26.028 shall be appropriated
24 solely for Washington basic health plan enrollment as provided in chapter
25 70.47 RCW. Funds appropriated pursuant to this subsection (2)(c) must
26 supplement, and not supplant, the level of state funding needed to support
27 enrollment of a minimum of one hundred twenty-five thousand persons for the
28 fiscal year beginning July 1, 2002, and every fiscal year thereafter. The
29 health care authority may enroll up to twenty thousand additional persons
30 in the basic health plan during the biennium beginning July 1, 2001, above
31 the base level of one hundred twenty-five thousand enrollees. The health
32 care authority may enroll up to fifty thousand additional persons in the
33 basic health plan during the biennium beginning July 1, 2003, above the base
34 level of one hundred twenty-five thousand enrollees. For each biennium
35 beginning on and after July 1, 2005, the health care authority may enroll

1 up to at least one hundred seventy-five thousand enrollees. Funds
2 appropriated under this subsection may be used to support outreach and
3 enrollment activities only to the extent necessary to achieve the enrollment
4 goals described in this section.

5 (3) Prior to expenditure for the purposes described in subsection (2)
6 of this section, funds deposited into the health services account under RCW
7 82.24.028 and 82.26.028 shall first be transferred to the following accounts
8 to ensure the continued availability of previously dedicated revenues for
9 certain existing programs:

10 (a) To the violence reduction and drug enforcement account under RCW
11 69.50.520, two million two hundred forty-nine thousand five hundred dollars
12 for the state fiscal year beginning July 1, 2001, four million two hundred
13 forty-eight thousand dollars for the state fiscal year beginning July 1,
14 2002, seven million seven hundred eighty-nine thousand dollars for the
15 biennium beginning July 1, 2003, six million nine hundred thirty-two
16 thousand dollars for the biennium beginning July 1, 2005, and six million
17 nine hundred thirty-two thousand dollars for each biennium thereafter, as
18 required by RCW 82.24.020(2);

19 (b) To the health services account under this section, nine million
20 seventy-seven thousand dollars for the state fiscal year beginning July 1,
21 2001, seventeen million one hundred eighty-eight thousand dollars for the
22 state fiscal year beginning July 1, 2002, thirty-one million seven hundred
23 fifty-five thousand dollars for the biennium beginning July 1, 2003, twenty-
24 eight million six hundred twenty-two thousand dollars for the biennium
25 beginning July 1, 2005, and twenty-eight million six hundred twenty-two
26 thousand dollars for each biennium thereafter, as required by RCW
27 82.24.020(3); and

28 (c) To the water quality account under RCW 70.146.030, two million two
29 hundred three thousand five hundred dollars for the state fiscal year
30 beginning July 1, 2001, four million two hundred forty-four thousand dollars
31 for the state fiscal year beginning July 1, 2002, eight million one hundred
32 eighty-two thousand dollars for the biennium beginning July 1, 2003, seven
33 million eight hundred eighty-five thousand dollars for the biennium
34 beginning July 1, 2005, and seven million eight hundred eighty-five thousand
35 dollars for each biennium thereafter, as required by RCW 82.24.027(2)(a)

1 During the 2001-2003 fiscal biennium, the legislature may transfer from
2 the health services account such amounts as reflect the excess fund balance
3 of the account.

4 **Sec. 911.** RCW 43.83B.430 and 1999 c 379 s 921 are each amended to read
5 as follows:

6 The state drought preparedness account is created in the state
7 treasury. All receipts from appropriated funds designated for the account
8 and funds transferred from the state emergency water projects revolving
9 account must be deposited into the account. Moneys in the account may be
10 spent only after appropriation. Expenditures from the account may be used
11 only for drought preparedness. During the 2001-2003 fiscal biennium, the
12 legislature may transfer from the state drought preparedness account to the
13 state general fund such amounts as reflect the excess fund balance of the
14 account.

15 **Sec. 912.** RCW 43.88.030 and 2000 2nd sp.s. c 4 s 12 are each amended
16 to read as follows:

17 (1) The director of financial management shall provide all agencies
18 with a complete set of instructions for submitting biennial budget requests
19 to the director at least three months before agency budget documents are due
20 into the office of financial management. The director shall provide
21 agencies and committees that are required under RCW 44.40.070 to develop
22 comprehensive six-year program and financial plans with a complete set of
23 instructions for submitting these program and financial plans at the same
24 time that instructions for submitting other budget requests are provided.
25 The budget document or documents shall consist of the governor's budget
26 message which shall be explanatory of the budget and shall contain an
27 outline of the proposed financial policies of the state for the ensuing
28 fiscal period, as well as an outline of the proposed six-year financial
29 policies where applicable, and shall describe in connection therewith the
30 important features of the budget. The message shall set forth the reasons
31 for salient changes from the previous fiscal period in expenditure and
32 revenue items and shall explain any major changes in financial policy.
33 Attached to the budget message shall be such supporting schedules, exhibits

1 and other explanatory material in respect to both current operations and
2 capital improvements as the governor shall deem to be useful to the
3 legislature. The budget document or documents shall set forth a proposal
4 for expenditures in the ensuing fiscal period, or six-year period where
5 applicable, based upon the estimated revenues and caseloads as approved by
6 the economic and revenue forecast council and caseload forecast council or
7 upon the estimated revenues and caseloads of the office of financial
8 management for those funds, accounts, sources, and programs for which the
9 forecast councils do not prepare an official forecast, including those
10 revenues anticipated to support the six-year programs and financial plans
11 under RCW 44.40.070. In estimating revenues to support financial plans
12 under RCW 44.40.070, the office of financial management shall rely on
13 information and advice from the transportation revenue forecast council.
14 Revenues shall be estimated for such fiscal period from the source and at
15 the rates existing by law at the time of submission of the budget document,
16 including the supplemental budgets submitted in the even-numbered years of
17 a biennium. However, the estimated revenues and caseloads for use in the
18 governor's budget document may be adjusted to reflect budgetary revenue
19 transfers and revenue and caseload estimates dependent upon budgetary
20 assumptions of enrollments, workloads, and caseloads. All adjustments to
21 the approved estimated revenues and caseloads must be set forth in the
22 budget document. The governor may additionally submit, as an appendix to
23 each supplemental, biennial, or six-year agency budget or to the budget
24 document or documents, a proposal for expenditures in the ensuing fiscal
25 period from revenue sources derived from proposed changes in existing
26 statutes.

27 Supplemental and biennial documents shall reflect a six-year
28 expenditure plan consistent with estimated revenues from existing sources
29 and at existing rates for those agencies required to submit six-year program
30 and financial plans under RCW 44.40.070. Any additional revenue resulting
31 from proposed changes to existing statutes shall be separately identified
32 within the document as well as related expenditures for the six-year period.

33 The budget document or documents shall also contain:

34 (a) Revenues classified by fund and source for the immediately past
35 fiscal period, those received or anticipated for the current fiscal period,

1 those anticipated for the ensuing biennium, and those anticipated for the
2 ensuing six-year period to support the six-year programs and financial plans
3 required under RCW 44.40.070;

4 (b) The undesignated fund balance or deficit, by fund;

5 (c) Such additional information dealing with expenditures, revenues,
6 workload, performance, and personnel as the legislature may direct by law
7 or concurrent resolution;

8 (d) Such additional information dealing with revenues and expenditures
9 as the governor shall deem pertinent and useful to the legislature;

10 (e) Tabulations showing expenditures classified by fund, function,
11 (~~(activity,)~~) and agency;

12 (f) A delineation of each agency's activities, including those
13 activities funded from nonbudgeted, nonappropriated sources, including funds
14 maintained outside the state treasury;

15 (g) Identification of all proposed direct expenditures to implement the
16 Puget Sound water quality plan under chapter 90.71 RCW, shown by agency and
17 in total; and

18 (h) Tabulations showing each postretirement adjustment by retirement
19 system established after fiscal year 1991, to include, but not be limited
20 to, estimated total payments made to the end of the previous biennial
21 period, estimated payments for the present biennium, and estimated payments
22 for the ensuing biennium.

23 (2) The budget document or documents shall include detailed estimates
24 of all anticipated revenues applicable to proposed operating or capital
25 expenditures and shall also include all proposed operating or capital
26 expenditures. The total of beginning undesignated fund balance and
27 estimated revenues less working capital and other reserves shall equal or
28 exceed the total of proposed applicable expenditures. The budget document
29 or documents shall further include:

30 (a) Interest, amortization and redemption charges on the state debt

31 (b) Payments of all reliefs, judgments, and claims;

32 (c) Other statutory expenditures;

33 (d) Expenditures incident to the operation for each agency;

34 (e) Revenues derived from agency operations;

1 (f) Expenditures and revenues shall be given in comparative form
2 showing those incurred or received for the immediately past fiscal period
3 and those anticipated for the current biennium and next ensuing biennium,
4 as well as those required to support the six-year programs and financial
5 plans required under RCW 44.40.070;

6 (g) A showing and explanation of amounts of general fund and other
7 funds obligations for debt service and any transfers of moneys that
8 otherwise would have been available for appropriation;

9 (h) Common school expenditures on a fiscal-year basis;

10 (i) A showing, by agency, of the value and purpose of financing
11 contracts for the lease/purchase or acquisition of personal or real property
12 for the current and ensuing fiscal periods; and

13 (j) A showing and explanation of anticipated amounts of general fund
14 and other funds required to amortize the unfunded actuarial accrued
15 liability of the retirement system specified under chapter 41.45 RCW, and
16 the contributions to meet such amortization, stated in total dollars and as
17 a level percentage of total compensation.

18 (3) A separate capital budget document or schedule shall be submitted
19 that will contain the following:

20 (a) A statement setting forth a long-range facilities plan for the
21 state that identifies and includes the highest priority needs within
22 affordable spending levels;

23 (b) A capital program consisting of proposed capital projects for the
24 next biennium and the two biennia succeeding the next biennium consistent
25 with the long-range facilities plan. Insomuch as is practical, and
26 recognizing emergent needs, the capital program shall reflect the
27 priorities, projects, and spending levels proposed in previously submitted
28 capital budget documents in order to provide a reliable long-range planning
29 tool for the legislature and state agencies;

30 (c) A capital plan consisting of proposed capital spending for at least
31 four biennia succeeding the next biennium;

32 (d) A strategic plan for reducing backlogs of maintenance and repair
33 projects. The plan shall include a prioritized list of specific facility
34 deficiencies and capital projects to address the deficiencies for each
35 agency, cost estimates for each project, a schedule for completing projects

1 over a reasonable period of time, and identification of normal maintenance
2 activities to reduce future backlogs;

3 (e) A statement of the reason or purpose for a project;

4 (f) Verification that a project is consistent with the provisions set
5 forth in chapter 36.70A RCW;

6 (g) A statement about the proposed site, size, and estimated life of
7 the project, if applicable;

8 (h) Estimated total project cost;

9 (i) For major projects valued over five million dollars, estimated
10 costs for the following project components: Acquisition, consultant
11 services, construction, equipment, project management, and other costs
12 included as part of the project. Project component costs shall be displayed
13 in a standard format defined by the office of financial management to allow
14 comparisons between projects;

15 (j) Estimated total project cost for each phase of the project as
16 defined by the office of financial management;

17 (k) Estimated ensuing biennium costs;

18 (l) Estimated costs beyond the ensuing biennium;

19 (m) Estimated construction start and completion dates;

20 (n) Source and type of funds proposed;

21 (o) Estimated ongoing operating budget costs or savings resulting from
22 the project, including staffing and maintenance costs;

23 (p) For any capital appropriation requested for a state agency for the
24 acquisition of land or the capital improvement of land in which the primary
25 purpose of the acquisition or improvement is recreation or wildlife habitat
26 conservation, the capital budget document, or an omnibus list of recreation
27 and habitat acquisitions provided with the governor's budget document, shall
28 identify the projected costs of operation and maintenance for at least the
29 two biennia succeeding the next biennium. Omnibus lists of habitat and
30 recreation land acquisitions shall include individual project cost estimates
31 for operation and maintenance as well as a total for all state projects
32 included in the list. The document shall identify the source of funds from
33 which the operation and maintenance costs are proposed to be funded;

34 (q) Such other information bearing upon capital projects as the
35 governor deems to be useful;

1 (r) Standard terms, including a standard and uniform definition of
2 normal maintenance, for all capital projects;

3 (s) Such other information as the legislature may direct by law or
4 concurrent resolution.

5 For purposes of this subsection (3), the term "capital project" shall
6 be defined subsequent to the analysis, findings, and recommendations of a
7 joint committee comprised of representatives from the house capital
8 appropriations committee, senate ways and means committee, legislative
9 transportation committee, legislative evaluation and accountability program
10 committee, and office of financial management.

11 (4) No change affecting the comparability of agency or program
12 information relating to expenditures, revenues, workload, performance and
13 personnel shall be made in the format of any budget document or report
14 presented to the legislature under this section or RCW 43.88.160(1) relative
15 to the format of the budget document or report which was presented to the
16 previous regular session of the legislature during an odd-numbered year
17 without prior legislative concurrence. Prior legislative concurrence shall
18 consist of (a) a favorable majority vote on the proposal by the standing
19 committees on ways and means of both houses if the legislature is in session
20 or (b) a favorable majority vote on the proposal by members of the
21 legislative evaluation and accountability program committee if the
22 legislature is not in session.

23 **Sec. 913.** RCW 43.320.110 and 2001 2nd sp.s. c 7 s 911 are each amended
24 to read as follows:

25 There is created a local fund known as the "financial services
26 regulation fund" which shall consist of all moneys received by the divisions
27 of the department of financial institutions, except for the division of
28 securities which shall deposit thirteen percent of all moneys received, and
29 which shall be used for the purchase of supplies and necessary equipment;
30 the payment of salaries, wages, and utilities; the establishment of
31 reserves; and other incidental costs required for the proper regulation of
32 individuals and entities subject to regulation by the department. The state
33 treasurer shall be the custodian of the fund. Disbursements from the fund
34 shall be on authorization of the director of financial institutions or the

1 director's designee. In order to maintain an effective expenditure and
2 revenue control, the fund shall be subject in all respects to chapter 43.88
3 RCW, but no appropriation is required to permit expenditures and payment of
4 obligations from the fund.

5 Between July 1, 2001, and December 31, 2001, the legislature may
6 transfer up to two million dollars from the financial services regulation
7 fund to the ((~~state general fund~~)) digital government revolving account.
8 During the 2001-2003 fiscal biennium, the legislature may transfer from the
9 financial services regulation fund to the state general fund such amounts
10 as reflect the excess fund balance of the fund and appropriations reductions
11 made by the 2002 supplemental appropriations act for administrative
12 efficiencies and savings.

13 **Sec. 914.** RCW 46.09.110 and 1986 c 206 s 6 are each amended to read as
14 follows:

15 The moneys collected by the department under this chapter shall be
16 distributed from time to time but at least once a year in the following
17 manner:

18 The department shall retain enough money to cover expenses incurred in
19 the administration of this chapter: PROVIDED, That such retention shall
20 never exceed eighteen percent of fees collected.

21 The remaining moneys shall be distributed by the interagency committee
22 for outdoor recreation in accordance with RCW 46.09.170(1)(d). During the
23 2001-2003 fiscal biennium, the legislature may transfer from the ORV account
24 to the state general fund such amounts as reflect the appropriations
25 reductions made by the 2002 supplemental appropriations act for
26 administrative efficiencies and savings.

27 **Sec. 915.** RCW 46.10.075 and 1991 sp.s. c 13 s 9 are each amended to
28 read as follows:

29 There is created a snowmobile account within the state treasury.
30 Snowmobile registration fees, monetary civil penalties from snowmobile
31 dealers, and snowmobile fuel tax moneys collected under this chapter and in
32 excess of the amounts fixed for the administration of the registration and
33 fuel tax provisions of this chapter shall be deposited in the snowmobile

1 account and shall be appropriated only to the state parks and recreation
2 commission for the administration and coordination of this chapter. During
3 the 2001-2003 fiscal biennium, the legislature may transfer from the
4 snowmobile account to the state general fund such amounts as reflect the
5 appropriations reductions made by the 2002 supplemental appropriations act
6 for administrative efficiencies and savings.

7 **Sec. 916.** RCW 48.02.190 and 1987 c 505 s 54 are each amended to read
8 as follows:

9 (1) As used in this section:

10 (a) "Organization" means every insurer, as defined in RCW 48.01.050,
11 having a certificate of authority to do business in this state and every
12 health care service contractor registered to do business in this state.
13 "Class one" organizations shall consist of all insurers as defined in RCW
14 48.01.050. "Class two" organizations shall consist of all organizations
15 registered under provisions of chapter 48.44 RCW.

16 (b) "Receipts" means (i) net direct premiums consisting of direct gross
17 premiums, as defined in RCW 48.18.170, paid for insurance written or renewed
18 upon risks or property resident, situated, or to be performed in this state,
19 less return premiums and premiums on policies not taken, dividends paid or
20 credited to policyholders on direct business, and premiums received from
21 policies or contracts issued in connection with qualified plans as defined
22 in RCW 48.14.021, and (ii) prepayments to health care service contractors
23 as set forth in RCW 48.44.010(3) less experience rating credits, dividends,
24 prepayments returned to subscribers, and payments for contracts not taken.

25 (2) The annual cost of operating the office of insurance commissioner
26 shall be determined by legislative appropriation. A pro rata share of the
27 cost shall be charged to all organizations. Each class of organization
28 shall contribute sufficient in fees to the insurance commissioner's
29 regulatory account to pay the reasonable costs, including overhead, of
30 regulating that class of organization.

31 (3) Fees charged shall be calculated separately for each class of
32 organization. The fee charged each organization shall be that portion of
33 the cost of operating the insurance commissioner's office, for that class
34 of organization, for the ensuing fiscal year that is represented by the

1 organization's portion of the receipts collected or received by all
2 organizations within that class on business in this state during the
3 previous calendar year: PROVIDED, That the fee shall not exceed one-eighth
4 of one percent of receipts: PROVIDED FURTHER, That the minimum fee shall
5 be one thousand dollars.

6 (4) The commissioner shall annually, on or before June 1, calculate and
7 bill each organization for the amount of its fee. Fees shall be due and
8 payable no later than June 15 of each year: PROVIDED, That if the necessary
9 financial records are not available or if the amount of the legislative
10 appropriation is not determined in time to carry out such calculations and
11 bill such fees within the time specified, the commissioner may use the fee
12 factors for the prior year as the basis for the fees and, if necessary, the
13 commissioner may impose supplemental fees to fully and properly charge the
14 organizations. The penalties for failure to pay fees when due shall be the
15 same as the penalties for failure to pay taxes pursuant to RCW 48.14.060.
16 The fees required by this section are in addition to all other taxes and
17 fees now imposed or that may be subsequently imposed.

18 (5) All moneys collected shall be deposited in the insurance
19 commissioner's regulatory account in the state treasury which is hereby
20 created.

21 (6) Unexpended funds in the insurance commissioner's regulatory account
22 at the close of a fiscal year shall be carried forward in the insurance
23 commissioner's regulatory account to the succeeding fiscal year and shall
24 be used to reduce future fees. During the 2001-2003 fiscal biennium, the
25 legislature may transfer from the insurance commissioner's regulatory
26 account to the state general fund such amounts as reflect the appropriations
27 reductions made by the 2002 supplemental appropriations act for
28 administrative efficiencies and savings.

29 **Sec. 917.** RCW 49.70.170 and 2001 2nd sp.s. c 7 s 913 are each amended
30 to read as follows:

31 (1) The worker and community right to know fund is hereby established
32 in the custody of the state treasurer. The department shall deposit all
33 moneys received under this chapter in the fund. Moneys in the fund may be
34 spent only for the purposes of this chapter following legislative

1 appropriation. Disbursements from the fund shall be on authorization of the
2 director or the director's designee. During the 2001-2003 fiscal biennium,
3 moneys in the fund may also be used by the military department for the
4 purpose of assisting the state emergency response commission and
5 coordinating local emergency planning activities. During the 2001-2003
6 fiscal biennium, the legislature may transfer from the worker and community
7 right to know fund to the state general fund such amounts as reflect the
8 appropriations reductions made by the 2002 supplemental appropriations act
9 for administrative efficiencies and savings. The fund is subject to the
10 allotment procedure provided under chapter 43.88 RCW.

11 (2) The department shall assess each employer who reported ten thousand
12 four hundred or more worker hours in the prior calendar year an annual fee
13 to provide for the implementation of this chapter. The department shall
14 promulgate rules establishing a fee schedule for all employers who reported
15 ten thousand four hundred or more worker hours in the prior calendar year
16 and are engaged in business operations having a standard industrial
17 classification, as designated in the standard industrial classification
18 manual prepared by the federal office of management and budget, within major
19 group numbers 01 through 08 (agriculture and forestry industries), numbers
20 10 through 14 (mining industries), numbers 15 through 17 (construction
21 industries), numbers 20 through 39 (manufacturing industries), numbers 41,
22 42, and 44 through 49 (transportation, communications, electric, gas, and
23 sanitary services), number 75 (automotive repair, services, and garages),
24 number 76 (miscellaneous repair services), number 80 (health services), and
25 number 82 (educational services). The department shall establish the annual
26 fee for each employer who reported ten thousand four hundred or more worker
27 hours in the prior calendar year in industries identified by this section,
28 provided that fees assessed shall not be more than two dollars and fifty
29 cents per full time equivalent employee. The annual fee shall not exceed
30 fifty thousand dollars. The fees shall be collected solely from employers
31 whose industries have been identified by rule under this chapter. The
32 department shall promulgate rules allowing employers who do not have
33 hazardous substances at their workplace to request an exemption from the
34 assessment and shall establish penalties for fraudulent exemption requests.

1 All fees collected by the department pursuant to this section shall be
2 collected in a cost-efficient manner and shall be deposited in the fund

3 (3) Records required by this chapter shall at all times be open to the
4 inspection of the director, or his designee including, the traveling
5 auditors, agents or assistants of the department provided for in RCW
6 51.16.070 and 51.48.040. The information obtained from employer records
7 under the provisions of this section shall be subject to the same
8 confidentiality requirements as set forth in RCW 51.16.070.

9 (4) An employer may appeal the assessment of the fee or penalties
10 pursuant to the procedures set forth in Title 51 RCW and accompanying rules
11 except that the employer shall not have the right of appeal to superior
12 court as provided in Title 51 RCW. The employer from whom the fee or
13 penalty is demanded or enforced, may however, within thirty days of the
14 board of industrial insurance appeal's final order, pay the fee or penalty
15 under written protest setting forth all the grounds upon which such fee or
16 penalty is claimed to be unlawful, excessive or otherwise improper and
17 thereafter bring an action in superior court against the department to
18 recover such fee or penalty or any portion of the fee or penalty which was
19 paid under protest.

20 (5) Repayment shall be made to the general fund of any moneys
21 appropriated by law in order to implement this chapter.

22 **Sec. 918.** RCW 50.16.010 and 1993 c 483 s 7 and 1993 c 226 s 10 are
23 each reenacted and amended to read as follows:

24 There shall be maintained as special funds, separate and apart from all
25 public moneys or funds of this state an unemployment compensation fund, an
26 administrative contingency fund, and a federal interest payment fund, which
27 shall be administered by the commissioner exclusively for the purposes of
28 this title, and to which RCW 43.01.050 shall not be applicable.

29 The unemployment compensation fund shall consist of

30 (1) all contributions and payments in lieu of contributions collected
31 pursuant to the provisions of this title,

32 (2) any property or securities acquired through the use of moneys
33 belonging to the fund,

34 (3) all earnings of such property or securities,

1 (4) any moneys received from the federal unemployment account in the
2 unemployment trust fund in accordance with Title XII of the social security
3 act, as amended,

4 (5) all money recovered on official bonds for losses sustained by the
5 fund,

6 (6) all money credited to this state's account in the unemployment
7 trust fund pursuant to section 903 of the social security act, as amended,

8 (7) all money received from the federal government as reimbursement
9 pursuant to section 204 of the federal-state extended compensation act of
10 1970 (84 Stat. 708-712; 26 U.S.C. Sec. 3304), and

11 (8) all moneys received for the fund from any other source.

12 All moneys in the unemployment compensation fund shall be commingled
13 and undivided.

14 The administrative contingency fund shall consist of all interest on
15 delinquent contributions collected pursuant to this title, all fines and
16 penalties collected pursuant to the provisions of this title, all sums
17 recovered on official bonds for losses sustained by the fund, and revenue
18 received under RCW 50.24.014: PROVIDED, That all fees, fines, forfeitures
19 and penalties collected or assessed by a district court because of the
20 violation of a state law shall be remitted as provided in chapter 3.62 RCW
21 as now exists or is later amended.

22 Moneys available in the administrative contingency fund, other than
23 money in the special account created under RCW 50.24.014, shall be expended
24 upon the direction of the commissioner, with the approval of the governor,
25 whenever it appears to him or her that such expenditure is necessary for

26 (a) The proper administration of this title and no federal funds are
27 available for the specific purpose to which such expenditure is to be made,
28 provided, the moneys are not substituted for appropriations from federal
29 funds which, in the absence of such moneys, would be made available.

30 (b) The proper administration of this title for which purpose
31 appropriations from federal funds have been requested but not yet received,
32 provided, the administrative contingency fund will be reimbursed upon
33 receipt of the requested federal appropriation.

34 (c) The proper administration of this title for which compliance and
35 audit issues have been identified that establish federal claims requiring

1 the expenditure of state resources in resolution. Claims must be resolved
2 in the following priority: First priority is to provide services to
3 eligible participants within the state; second priority is to provide
4 substitute services or program support; and last priority is the direct
5 payment of funds to the federal government.

6 (d) During the 2001-2003 fiscal biennium, the cost of worker retraining
7 programs at community and technical colleges as appropriated by the
8 legislature.

9 Money in the special account created under RCW 50.24.014 may only be
10 expended, after appropriation, for the purposes specified in RCW 50.62.010,
11 50.62.020, 50.62.030, 50.04.070, 50.04.072, 50.16.010, 50.29.025, 50.24.014,
12 50.44.053, and 50.22.010.

13 **Sec. 919.** RCW 51.44.170 and 1997 c 327 s 1 are each amended to read as
14 follows:

15 The industrial insurance premium refund account is created in the
16 custody of the state treasurer. All industrial insurance refunds earned by
17 state agencies or institutions of higher education under the state fund
18 retrospective rating program shall be deposited into the account. The
19 account is subject to the allotment procedures under chapter 43.88 RCW, but
20 no appropriation is required for expenditures from the account. Only the
21 executive head of the agency or institution of higher education, or
22 designee, may authorize expenditures from the account. No agency or
23 institution of higher education may make an expenditure from the account for
24 an amount greater than the refund earned by the agency. If the agency or
25 institution of higher education has staff dedicated to workers' compensation
26 claims management, expenditures from the account must be used to pay for
27 that staff, but additional expenditure from the account may be used for any
28 program within an agency or institution of higher education that promotes
29 or provides incentives for employee workplace safety and health and early,
30 appropriate return-to-work for injured employees. During the 2001-2003
31 fiscal biennium, the legislature may transfer from the industrial insurance
32 premium refund account to the state general fund such amounts as reflect the
33 reductions made by the 2002 supplemental appropriations act for
34 administrative efficiencies and savings.

1 **Sec. 920.** RCW 66.08.235 and 1997 c 75 s 1 are each amended to read as
2 follows:

3 The liquor control board construction and maintenance account is
4 created within the state treasury. The liquor control board shall deposit
5 into this account a portion of the board's markup, as authorized by chapter
6 66.16 RCW, placed upon liquor as determined by the board. Moneys in the
7 account may be spent only after appropriation. The liquor control board
8 shall use deposits to this account to fund construction and maintenance of
9 a centralized distribution center for liquor products intended for sale
10 through the board's liquor store and vendor system. During the 2001-2003
11 fiscal biennium, the legislature may transfer from the liquor control board
12 construction and maintenance account to the state general fund such amounts
13 as reflect the appropriations reductions made by the 2002 supplemental
14 appropriations act for administrative efficiencies and savings.

15 **Sec. 921.** RCW 67.16.100 and 1998 c 345 s 5 are each amended to read as
16 follows:

17 (1) All sums paid to the commission under this chapter, including those
18 sums collected for license fees and excluding those sums collected under RCW
19 67.16.102 and 67.16.105(3), shall be disposed of by the commission as
20 follows: One hundred percent thereof shall be retained by the commission
21 in the horse racing commission fund for the payment of the salaries of its
22 members, secretary, clerical, office, and other help and all expenses
23 incurred in carrying out the provisions of this chapter. No salary, wages,
24 expenses, or compensation of any kind shall be paid by the state in
25 connection with the work of the commission.

26 (2) Any moneys collected or paid to the commission under the terms of
27 this chapter and not expended at the close of the fiscal biennium shall be
28 paid to the state treasurer and be placed in the fair fund created in RCW
29 15.76.115. The commission may, with the approval of the office of financial
30 management, retain any sum required for working capital. During the 2001-
31 2003 fiscal biennium, the legislature may transfer from the horse racing
32 commission fund to the state general fund such amounts as reflect the
33 reductions made by the 2002 supplemental appropriations act for
34 administrative efficiencies and savings.

Sec. 922. RCW 67.40.025 and 1988 ex.s. c 1 s 2 are each amended to read as follows:

All operating revenues received by the corporation formed under RCW 67.40.020 shall be deposited in the state convention and trade center operations account, hereby created in the state treasury. Moneys in the account, including unanticipated revenues under RCW 43.79.270, may be spent only after appropriation by statute, and may be used only for operation and promotion of the center. During the 2001-2003 fiscal biennium, the legislature may transfer from the state convention and trade center operations account to the state general fund such amounts as reflect the appropriations reductions made by the 2002 supplemental appropriations act for administrative efficiencies and savings.

Subject to approval by the office of financial management under RCW 43.88.260, the corporation may expend moneys for operational purposes in excess of the balance in the account, to the extent the corporation receives or will receive additional operating revenues.

As used in this section, "operating revenues" does not include any moneys required to be deposited in the state convention and trade center account.

Sec. 923. RCW 67.70.260 and 1985 c 375 s 6 are each amended to read as follows:

There is hereby created the lottery administrative account in the state treasury. The account shall be managed, controlled, and maintained by the director. The legislature may appropriate from the account for the payment of costs incurred in the operation and administration of the lottery. During the 2001-2003 fiscal biennium, the legislature may transfer from the lottery administrative account to the state general fund such amounts as reflect the appropriations reductions made by the 2002 supplemental appropriations act for administrative efficiencies and savings.

Sec. 924. RCW 69.50.520 and 2001 2nd sp.s. c 7 s 920 and 2001 c 168 s 3 are each reenacted and amended to read as follows:

The violence reduction and drug enforcement account is created in the state treasury. All designated receipts from RCW 9.41.110(8), 66.24.210(4),

1 66.24.290(2), 69.50.505(i)(1), 82.08.150(5), 82.24.020(2), 82.64.020, and
2 section 420, chapter 271, Laws of 1989 shall be deposited into the account.
3 Expenditures from the account may be used only for funding services and
4 programs under chapter 271, Laws of 1989 and chapter 7, Laws of 1994 sp.
5 sess., including state incarceration costs. Funds from the account may also
6 be appropriated to reimburse local governments for costs associated with
7 implementing criminal justice legislation including chapter 338, Laws of
8 1997. During the 2001-2003 biennium, funds from the account may also be
9 used for costs associated with providing grants to local governments in
10 accordance with chapter 338, Laws of 1997, the replacement of the department
11 of corrections' offender-based tracking system, maintenance and operating
12 costs of the Washington association of sheriffs and police chiefs jail
13 reporting system, civil indigent legal representation, and for
14 multijurisdictional narcotics task forces. After July 1, 2003, at least
15 seven and one-half percent of expenditures from the account shall be used
16 for providing grants to community networks under chapter 70.190 RCW by the
17 family policy council.

18 **Sec. 925.** RCW 70.93.180 and 1998 c 257 s 5 are each amended to read as
19 follows:

20 (1) There is hereby created an account within the state treasury to be
21 known as the "waste reduction, recycling, and litter control account".
22 Moneys in the account may be spent only after appropriation. Expenditures
23 from the waste reduction, recycling, and litter control account shall be
24 used as follows:

25 (a) Fifty percent to the department of ecology, for use by the
26 departments of ecology, natural resources, revenue, transportation, and
27 corrections, and the parks and recreation commission, for use in litter
28 collection programs, to be distributed under RCW 70.93.220. The amount to
29 the department of ecology shall also be used for a central coordination
30 function for litter control efforts statewide, for the biennial litter
31 survey under RCW 70.93.200(8), and for statewide public awareness programs
32 under RCW 70.93.200(7). The amount to the department shall also be used to
33 defray the costs of administering the funding, coordination, and oversight
34 of local government programs for waste reduction, litter control, and

1 recycling, so that local governments can apply one hundred percent of their
2 funding to achieving program goals. The amount to the department of revenue
3 shall be used to enforce compliance with the litter tax imposed in chapter
4 82.19 RCW;

5 (b) Twenty percent to the department for local government funding
6 programs for waste reduction, litter control, and recycling activities by
7 cities and counties under RCW 70.93.250, to be administered by the
8 department of ecology; and

9 (c) Thirty percent to the department of ecology for waste reduction and
10 recycling efforts.

11 (2) All taxes imposed in RCW 82.19.010 and fines and bail forfeitures
12 collected or received pursuant to this chapter shall be deposited in the
13 waste reduction, recycling, and litter control account and used for the
14 programs under subsection (1) of this section.

15 (3) Not less than five percent and no more than ten percent of the
16 amount appropriated into the waste reduction, recycling, and litter control
17 account every biennium shall be reserved for capital needs, including the
18 purchase of vehicles for transporting crews and for collecting litter and
19 solid waste. Capital funds shall be distributed among state agencies and
20 local governments according to the same criteria provided in RCW 70.93.220
21 for the remainder of the funds, so that the most effective waste reduction,
22 litter control, and recycling programs receive the most funding. The intent
23 of this subsection is to provide funds for the purchase of equipment that
24 will enable the department to account for the greatest return on investment
25 in terms of reaching a zero litter goal.

26 (4) During the 2001-2003 fiscal biennium, the legislature may transfer
27 from the waste reduction, recycling, and litter control account to the state
28 general fund such amounts as reflect the appropriations reductions made by
29 the 2002 supplemental appropriations act for administrative efficiencies and
30 savings.

31 **Sec. 926.** RCW 70.94.015 and 1998 c 321 s 33 are each amended to read
32 as follows:

33 (1) The air pollution control account is established in the state
34 treasury. All receipts collected by or on behalf of the department from RCW

1 70.94.151(2), and receipts from nonpermit program sources under RCW
2 70.94.152(1) and 70.94.154(7), and all receipts from RCW 70.94.650((7)) and
3 70.94.660((, 82.44.020(2), and 82.50.405)) shall be deposited into the
4 account. Moneys in the account may be spent only after appropriation.
5 Expenditures from the account may be used only to develop and implement the
6 provisions of chapters 70.94 and 70.120 RCW.

7 (2) The amounts collected and allocated in accordance with this section
8 shall be expended upon appropriation except as otherwise provided in this
9 section and in accordance with the following limitations:

10 Portions of moneys received by the department of ecology from the air
11 pollution control account shall be distributed by the department to local
12 authorities based on:

13 (a) The level and extent of air quality problems within such
14 authority's jurisdiction;

15 (b) The costs associated with implementing air pollution regulatory
16 programs by such authority; and

17 (c) The amount of funding available to such authority from other
18 sources, whether state, federal, or local, that could be used to implement
19 such programs.

20 (3) The air operating permit account is created in the custody of the
21 state treasurer. All receipts collected by or on behalf of the department
22 from permit program sources under RCW 70.94.152(1), 70.94.161, 70.94.162,
23 and 70.94.154(7) shall be deposited into the account. Expenditures from the
24 account may be used only for the activities described in RCW 70.94.152(1),
25 70.94.161, 70.94.162, and 70.94.154(7). Moneys in the account may be spent
26 only after appropriation. During the 2001-2003 fiscal biennium, the
27 legislature may transfer from the air operating permit account to the state
28 general fund such amounts as reflect the appropriations reductions made by
29 the 2002 supplemental appropriations act for administrative efficiencies and
30 savings.

31 **Sec. 927.** RCW 70.95E.080 and 1991 sp.s. c 13 s 75 are each amended to
32 read as follows:

1 The hazardous waste assistance account is hereby created in the state
2 treasury. The following moneys shall be deposited into the hazardous waste
3 assistance account:

4 (1) Those revenues which are raised by the fees imposed under RCW
5 70.95E.020 and 70.95E.030;

6 (2) Penalties and surcharges collected under chapter 70.95C RCW and
7 this chapter; and

8 (3) Any other moneys appropriated or transferred to the account by the
9 legislature. Moneys in the hazardous waste assistance account may be spent
10 only for the purposes of this chapter following legislative appropriation.
11 During the 2001-2003 fiscal biennium, the legislature may transfer from the
12 hazardous waste assistance account to the state general fund such amounts
13 as reflect the appropriations reductions made by the 2002 supplemental
14 appropriations act for administrative efficiencies and savings.

15 **Sec. 928.** RCW 70.105D.070 and 2001 c 27 s 2 are each amended to read
16 as follows:

17 (1) The state toxics control account and the local toxics control
18 account are hereby created in the state treasury.

19 (2) The following moneys shall be deposited into the state toxics
20 control account: (a) Those revenues which are raised by the tax imposed
21 under RCW 82.21.030 and which are attributable to that portion of the rate
22 equal to thirty-three one-hundredths of one percent; (b) the costs of
23 remedial actions recovered under this chapter or chapter 70.105A RCW; (c)
24 penalties collected or recovered under this chapter; and (d) any other money
25 appropriated or transferred to the account by the legislature. Moneys in
26 the account may be used only to carry out the purposes of this chapter,
27 including but not limited to the following activities:

28 (i) The state's responsibility for hazardous waste planning,
29 management, regulation, enforcement, technical assistance, and public
30 education required under chapter 70.105 RCW;

31 (ii) The state's responsibility for solid waste planning, management,
32 regulation, enforcement, technical assistance, and public education required
33 under chapter 70.95 RCW;

34 (iii) The hazardous waste cleanup program required under this chapter;

(iv) State matching funds required under the federal cleanup law;
(v) Financial assistance for local programs in accordance with chapters 70.95, 70.95C, 70.95I, and 70.105 RCW;

(vi) State government programs for the safe reduction, recycling, or disposal of hazardous wastes from households, small businesses, and agriculture;

(vii) Hazardous materials emergency response training;

(viii) Water and environmental health protection and monitoring programs;

(ix) Programs authorized under chapter 70.146 RCW;

(x) A public participation program, including regional citizen advisory committees;

(xi) Public funding to assist potentially liable persons to pay for the costs of remedial action in compliance with cleanup standards under RCW 70.105D.030(2)(e) but only when the amount and terms of such funding are established under a settlement agreement under RCW 70.105D.040(4) and when the director has found that the funding will achieve both (A) a substantially more expeditious or enhanced cleanup than would otherwise occur, and (B) the prevention or mitigation of unfair economic hardship; and

(xii) Development and demonstration of alternative management technologies designed to carry out the top two hazardous waste management priorities of RCW 70.105.150.

(3) The following moneys shall be deposited into the local toxics control account: Those revenues which are raised by the tax imposed under RCW 82.21.030 and which are attributable to that portion of the rate equal to thirty-seven one-hundredths of one percent.

(a) Moneys deposited in the local toxics control account shall be used by the department for grants or loans to local governments for the following purposes in descending order of priority: (i) Remedial actions; (ii) hazardous waste plans and programs under chapter 70.105 RCW; (iii) solid waste plans and programs under chapters 70.95, 70.95C, 70.95I, and 70.105 RCW; (iv) funds for a program to assist in the assessment and cleanup of sites of methamphetamine production, but not to be used for the initial containment of such sites, consistent with the responsibilities and intent of RCW 69.50.511; and (v) cleanup and disposal of hazardous substances from

1 abandoned or derelict vessels that pose a threat to human health or the
2 environment. For purposes of this subsection (3)(a)(v), "abandoned or
3 derelict vessels" means vessels that have little or no value and either have
4 no identified owner or have an identified owner lacking financial resources
5 to clean up and dispose of the vessel. Funds for plans and programs shall
6 be allocated consistent with the priorities and matching requirements
7 established in chapters 70.105, 70.95C, 70.95I, and 70.95 RCW. During the
8 1999-2001 fiscal biennium, moneys in the account may also be used for the
9 following activities: Conducting a study of whether dioxins occur in
10 fertilizers, soil amendments, and soils; reviewing applications for
11 registration of fertilizers; and conducting a study of plant uptake of
12 metals.

13 (b) Funds may also be appropriated to the department of health to
14 implement programs to reduce testing requirements under the federal safe
15 drinking water act for public water systems. The department of health shall
16 reimburse the account from fees assessed under RCW 70.119A.115 by June 30,
17 1995.

18 (4) Except for unanticipated receipts under RCW 43.79.260 through
19 43.79.282, moneys in the state and local toxics control accounts may be
20 spent only after appropriation by statute.

21 (5) One percent of the moneys deposited into the state and local toxics
22 control accounts shall be allocated only for public participation grants to
23 persons who may be adversely affected by a release or threatened release of
24 a hazardous substance and to not-for-profit public interest organizations.
25 The primary purpose of these grants is to facilitate the participation by
26 persons and organizations in the investigation and remedying of releases or
27 threatened releases of hazardous substances and to implement the state's
28 solid and hazardous waste management priorities. However, during the 1999-
29 2001 fiscal biennium, funding may not be granted to entities engaged in
30 lobbying activities, and applicants may not be awarded grants if their
31 cumulative grant awards under this section exceed two hundred thousand
32 dollars. No grant may exceed sixty thousand dollars. Grants may be renewed
33 annually. Moneys appropriated for public participation from either account
34 which are not expended at the close of any biennium shall revert to the
35 state toxics control account.

(6) No moneys deposited into either the state or local toxics control account may be used for solid waste incinerator feasibility studies, construction, maintenance, or operation.

(7) The department shall adopt rules for grant or loan issuance and performance.

(8) During the 2001-2003 fiscal biennium, the legislature may transfer from the state toxics control account and the local toxics control account to the state general fund such amounts as reflect the excess fund balance of the accounts and appropriations reductions made by the 2002 supplemental appropriations act for administrative efficiencies and savings.

Sec. 929. RCW 70.146.030 and 2001 2nd sp.s. c 7 s 922 are each amended to read as follows:

(1) The water quality account is hereby created in the state treasury. Moneys in the account may be used only in a manner consistent with this chapter. Moneys deposited in the account shall be administered by the department of ecology and shall be subject to legislative appropriation. Moneys placed in the account shall include tax receipts as provided in RCW 82.24.027, 82.26.025, and 82.32.390, principal and interest from the repayment of any loans granted pursuant to this chapter, and any other moneys appropriated to the account by the legislature.

(2) The department may use or permit the use of any moneys in the account to make grants or loans to public bodies, including grants to public bodies as cost-sharing moneys in any case where federal, local, or other funds are made available on a cost-sharing basis, for water pollution control facilities and activities, or for purposes of assisting a public body to obtain an ownership interest in water pollution control facilities and/or to defray a part of the payments made by a public body to a service provider under a service agreement entered into pursuant to RCW 70.150.060, within the purposes of this chapter and for related administrative expenses. For the period July 1, 2001, to June 30, 2003, moneys in the account may be used to process applications received by the department that seek to make changes to or transfer existing water rights and for grants to public bodies for watershed planning under chapter 90.82 RCW. No more than three percent of the moneys deposited in the account may be used by the department to pay

1 for the administration of the grant and loan program authorized by this
2 chapter.

3 (3) Beginning with the biennium ending June 30, 1997, the department
4 shall present a biennial progress report on the use of moneys from the
5 account to the chairs of the senate committee on ways and means and the
6 house of representatives committee on appropriations. The first report is
7 due June 30, 1996, and the report for each succeeding biennium is due
8 December 31 of the odd-numbered year. The report shall consist of a list
9 of each recipient, project description, and amount of the grant, loan, or
10 both.

11 (4) (~~During the fiscal biennium ending June 30, 1997, moneys in the~~
12 ~~account may be transferred by the legislature to the water right permit~~
13 ~~processing account.)) During the 2001-2003 fiscal biennium, the legislature
14 may transfer from the water quality account to the state general fund such
15 amounts as reflect the excess fund balance of the fund and appropriations
16 reductions made by the 2002 supplemental appropriations act for
17 administrative efficiencies and savings.~~

18 **Sec. 930.** RCW 70.168.040 and 1997 c 331 s 2 are each amended to read
19 as follows:

20 The emergency medical services and trauma care system trust account is
21 hereby created in the state treasury. Moneys shall be transferred to the
22 emergency medical services and trauma care system trust account from the
23 public safety education account or other sources as appropriated, and as
24 collected under RCW 46.63.110(6) and 46.12.042. Disbursements shall be made
25 by the department subject to legislative appropriation. Expenditures may
26 be made only for the purposes of the state trauma care system under this
27 chapter, including emergency medical services, trauma care services,
28 rehabilitative services, and the planning and development of related
29 services under this chapter and for reimbursement by the department of
30 social and health services for trauma care services provided by designated
31 trauma centers. During the 2001-2003 fiscal biennium, the legislature may
32 transfer from the emergency medical services and trauma care system trust
33 account to the state general fund such amounts as reflect the excess fund
34 balance of the account.

Sec. 931. RCW 77.12.170 and 2001 c 253 s 15 are each amended to read as follows:

(1) There is established in the state treasury the state wildlife fund which consists of moneys received from:

- (a) Rentals or concessions of the department;
- (b) The sale of real or personal property held for department purposes;
- (c) The sale of licenses, permits, tags, and stamps required by chapter 77.32 RCW and RCW 77.65.490, except annual resident adult saltwater and all shellfish licenses, which shall be deposited into the state general fund;
- (d) Fees for informational materials published by the department;
- (e) Fees for personalized vehicle license plates as provided in chapter 46.16 RCW;
- (f) Articles or wildlife sold by the director under this title;
- (g) Compensation for damage to department property or wildlife losses or contributions, gifts, or grants received under RCW 77.12.320 or 77.32.380;
- (h) Excise tax on anadromous game fish collected under chapter 82.27 RCW;
- (i) The sale of personal property seized by the department for fish, shellfish, or wildlife violations; and
- (j) The department's share of revenues from auctions and raffles authorized by the commission.

(2) State and county officers receiving any moneys listed in subsection (1) of this section shall deposit them in the state treasury to be credited to the state wildlife fund.

During the 2001-2003 fiscal biennium, the legislature may transfer from the state wildlife fund to the state general fund such amounts as reflect the excess fund balance of the fund and appropriations reductions made by the 2002 supplemental appropriations act for administrative efficiencies and savings.

Sec. 932. RCW 77.44.050 and 1999 c 235 s 1 are each amended to read as follows:

1 The warm water game fish account is hereby created in the state
2 wildlife fund. Moneys in the account are subject to legislative
3 appropriation and shall be used for the purpose of funding the warm water
4 game fish enhancement program, including the development of warm water pond
5 and lake habitat, culture of warm water game fish, improvement of warm water
6 fish habitat, management of warm water fish populations, and other practical
7 activities that will improve the fishing for warm water fish. Funds for
8 warm water game fish as provided in RCW 77.32.440 shall not serve as
9 replacement funding for department-operated warm water fish projects
10 existing on December 31, 1994, except that an amount not to exceed ninety-
11 one thousand dollars may be used for warm water fish culture at the Rod
12 Meseberg warm water fish production facility during the biennium ending June
13 30, 2001. During the 2001-2003 fiscal biennium, the legislature may
14 transfer from the warm water game fish account to the state general fund
15 such amounts as reflect the excess fund balance of the account and
16 appropriations reductions made by the 2002 supplemental appropriations act
17 for administrative efficiencies and savings.

18 **Sec. 933.** RCW 79.24.580 and 2001 c 227 s 7 are each amended to read as
19 follows:

20 After deduction for management costs as provided in RCW 79.64.040 and
21 payments to towns under RCW 79.92.110(2), all moneys received by the state
22 from the sale or lease of state-owned aquatic lands and from the sale of
23 valuable material from state-owned aquatic lands shall be deposited in the
24 aquatic lands enhancement account which is hereby created in the state
25 treasury. After appropriation, these funds shall be used solely for aquatic
26 lands enhancement projects; for the purchase, improvement, or protection of
27 aquatic lands for public purposes; for providing and improving access to
28 such lands; and for volunteer cooperative fish and game projects.

29 In providing grants for aquatic lands enhancement projects, the
30 department shall require grant recipients to incorporate the environmental
31 benefits of the project into their grant applications, and the department
32 shall utilize the statement of environmental benefits in its prioritization
33 and selection process. The department shall also develop appropriate
34 outcome-focused performance measures to be used both for management and

1 performance assessment of the grants. To the extent possible, the
2 department should coordinate its performance measure system with other
3 natural resource-related agencies as defined in RCW 43.41.270. The
4 department shall consult with affected interest groups in implementing this
5 section.

6 During the fiscal biennium ending June 30, (~~(2001)~~) 2003, the funds may
7 be appropriated for boating safety(~~(7)~~) and shellfish management,
8 enforcement, and enhancement (~~(and for developing and implementing plans for~~
9 ~~population monitoring and restoration of native wild salmon stock)~~). During
10 the 2001-2003 fiscal biennium, the legislature may transfer from the aquatic
11 lands enhancement account to the state general fund such amounts as reflect
12 the excess fund balance of the account and appropriations reductions made
13 by the 2002 supplemental appropriations act for administrative efficiencies
14 and savings.

15 **Sec. 934.** RCW 79A.05.215 and 1995 c 211 s 7 are each amended to read
16 as follows:

17 The state parks renewal and stewardship account is created in the state
18 treasury. Except as otherwise provided in this chapter, all receipts from
19 user fees, concessions, leases, and other state park-based activities shall
20 be deposited into the account. Expenditures from the account may be used
21 for operating state parks, developing and renovating park facilities,
22 undertaking deferred maintenance, enhancing park stewardship, and other
23 state park purposes. Expenditures from the account may be made only after
24 appropriation by the legislature. During the 2001-2003 fiscal biennium, the
25 legislature may transfer from the state parks renewal and stewardship
26 account to the state general fund such amounts as reflect the appropriations
27 reductions made by the 2002 supplemental appropriations act for
28 administrative efficiencies and savings.

29 **Sec. 935.** RCW 80.01.080 and 2001 c 238 s 8 are each amended to read as
30 follows:

31 (~~(The transportation revolving fund and the public utilities revolving~~
32 ~~fund are abolished as of April 1, 1949, and as of such date)~~) There is
33 created in the state treasury a ((~~"~~))public service revolving fund((~~"~~to

1 ~~which shall be transferred all moneys which then remain on hand to the~~
2 ~~credit of the transportation revolving fund and the public utilities~~
3 ~~revolving fund, subject, however, to outstanding warrants and other~~
4 ~~obligations chargeable to appropriations made from such funds. From and~~
5 ~~after April 1, 1949,)).~~ Regulatory fees payable by all types of public
6 service companies shall be deposited to the credit of the public service
7 revolving fund. Except for expenses payable out of the pipeline safety
8 account, all expense of operation of the Washington utilities and
9 transportation commission shall be payable out of the public service
10 revolving fund.

11 During the 2001-2003 fiscal biennium, the legislature may transfer from
12 the public service revolving fund to the state general fund such amounts as
13 reflect the appropriations reductions made by the 2002 supplemental
14 appropriations act for administrative efficiencies and savings.

15 **Sec. 936.** RCW 82.29A.080 and 1985 c 57 s 84 are each amended to read
16 as follows:

17 The counties and cities shall contract, prior to the effective date of
18 an ordinance imposing a leasehold excise tax, with the department of revenue
19 for administration and collection. The department of revenue shall deduct
20 a percentage amount, as provided by such contract, not to exceed two percent
21 of the taxes collected, for administration and collection expenses incurred
22 by the department. The remainder of any portion of any tax authorized by
23 RCW 82.29A.040 which is collected by the department of revenue shall be
24 deposited by the state department of revenue in the local leasehold excise
25 tax account hereby created in the state treasury. Moneys in the local
26 leasehold excise tax account may be spent only for distribution to counties
27 and cities imposing a leasehold excise tax.

28 During the 2001-2003 fiscal biennium, the legislature may transfer from
29 the local leasehold excise tax account to the state general fund such
30 amounts as reflect the interest earnings of the account.

31 **Sec. 937.** RCW 90.48.465 and 1998 c 262 s 16 are each amended to read
32 as follows:

1 (1) The department shall establish annual fees to collect expenses for
2 issuing and administering each class of permits under RCW 90.48.160,
3 90.48.162, and 90.48.260. An initial fee schedule shall be established by
4 rule within one year of March 1, 1989, and thereafter the fee schedule shall
5 be adjusted no more often than once every two years. This fee schedule
6 shall apply to all permits, regardless of date of issuance, and fees shall
7 be assessed prospectively. All fees charged shall be based on factors
8 relating to the complexity of permit issuance and compliance and may be
9 based on pollutant loading and toxicity and be designed to encourage
10 recycling and the reduction of the quantity of pollutants. Fees shall be
11 established in amounts to fully recover and not to exceed expenses incurred
12 by the department in processing permit applications and modifications,
13 monitoring and evaluating compliance with permits, conducting inspections,
14 securing laboratory analysis of samples taken during inspections, reviewing
15 plans and documents directly related to operations of permittees, overseeing
16 performance of delegated pretreatment programs, and supporting the overhead
17 expenses that are directly related to these activities.

18 (2) The annual fee paid by a municipality, as defined in 33 U.S.C. Sec.
19 1362, for all domestic wastewater facility permits issued under RCW
20 90.48.162 and 90.48.260 shall not exceed the total of a maximum of fifteen
21 cents per month per residence or residential equivalent contributing to the
22 municipality's wastewater system. The department shall adopt by rule a
23 schedule of credits for any municipality engaging in a comprehensive
24 monitoring program beyond the requirements imposed by the department, with
25 the credits available for five years from March 1, 1989, and with the total
26 amount of all credits not to exceed fifty thousand dollars in the five-year
27 period.

28 (3) The department shall ensure that indirect dischargers do not pay
29 twice for the administrative expense of a permit. Accordingly,
30 administrative expenses for permits issued by a municipality under RCW
31 90.48.165 are not recoverable by the department.

32 (4) In establishing fees, the department shall consider the economic
33 impact of fees on small dischargers and the economic impact of fees on
34 public entities required to obtain permits for storm water runoff and shall
35 provide appropriate adjustments.

(5) The fee for an individual permit issued for a dairy farm as defined under chapter 90.64 RCW shall be fifty cents per animal unit up to one thousand one hundred sixty-seven dollars for fiscal year 1998 and one thousand two hundred fourteen dollars for fiscal year 1999. The fee for a general permit issued for a dairy farm as defined under chapter 90.64 RCW shall be fifty cents per animal unit up to eight hundred seventeen dollars for fiscal year 1998 and eight hundred fifty dollars for fiscal year 1999. Thereafter, these fees may rise in accordance with the fiscal growth factor as provided in chapter 43.135 RCW.

(6) All fees collected under this section shall be deposited in the water quality permit account hereby created in the state treasury. Moneys in the account may be appropriated only for purposes of administering permits under RCW 90.48.160, 90.48.162, and 90.48.260. During the 2001-2003 fiscal biennium, the legislature may transfer from the water quality permit account to the state general fund such amounts as reflect the appropriations reductions made by the 2002 supplemental appropriations act for administrative efficiencies and savings.

(7) Beginning with the biennium ending June 30, 1997, the department shall present a biennial progress report on the use of moneys from the account to the legislature. The report will be due December 31st of odd-numbered years. The report shall consist of information on fees collected, actual expenses incurred, and anticipated expenses for the current and following fiscal years.

Sec. 938. RCW 90.56.510 and 2000 c 69 s 22 are each amended to read as follows:

(1) The oil spill prevention account is created in the state treasury. All receipts from RCW 82.23B.020(2) shall be deposited in the account. Moneys from the account may be spent only after appropriation. The account is subject to allotment procedures under chapter 43.88 RCW. If, on the first day of any calendar month, the balance of the oil spill response account is greater than nine million dollars and the balance of the oil spill prevention account exceeds the unexpended appropriation for the current biennium, then the tax under RCW 82.23B.020(2) shall be suspended on the first day of the next calendar month until the beginning of the

1 following biennium, provided that the tax shall not be suspended during the
2 last six months of the biennium. If the tax imposed under RCW 82.23B.020(2)
3 is suspended during two consecutive biennia, the department shall by
4 November 1st after the end of the second biennium, recommend to the
5 appropriate standing committees an adjustment in the tax rate. (~~For the~~
6 ~~biennium ending June 30, 1999, and the biennium ending June 30, 2001, the~~
7 ~~state treasurer may transfer a total of up to one million dollars from the~~
8 ~~oil spill response account to the oil spill prevention account to support~~
9 ~~appropriations made from the oil spill prevention account in the omnibus~~
10 ~~appropriations act adopted not later than June 30, 1999.)) During the 2001-
11 2003 fiscal biennium, the legislature may transfer from the oil spill
12 prevention account to the state general fund such amounts as reflect the
13 appropriations reductions made by the 2002 supplemental appropriations act
14 for administrative efficiencies and savings.~~

15 (2) Expenditures from the oil spill prevention account shall be used
16 exclusively for the administrative costs related to the purposes of this
17 chapter, and chapters 90.48, 88.40, and 88.46 RCW. Starting with the 1995-
18 1997 biennium, the legislature shall give activities of state agencies
19 related to prevention of oil spills priority in funding from the oil spill
20 prevention account. Costs of prevention include the costs of:

- 21 (a) Routine responses not covered under RCW 90.56.500;
22 (b) Management and staff development activities;
23 (c) Development of rules and policies and the statewide plan provided
24 for in RCW 90.56.060;
25 (d) Facility and vessel plan review and approval, drills, inspections,
26 investigations, enforcement, and litigation;
27 (e) Interagency coordination and public outreach and education;
28 (f) Collection and administration of the tax provided for in chapter
29 82.23B RCW; and
30 (g) Appropriate travel, goods and services, contracts, and equipmen

31 NEW SECTION. Sec. 939. If any provision of this act or its
32 application to any person or circumstance is held invalid, the remainder of
33 the act or the application of the provision to other persons or
34 circumstances is not affected.

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